

Nation's Business

A USEFUL LOOK AHEAD

OCTOBER 1967

A black and white portrait of psychologist Kenneth B. Clark, wearing glasses and a suit, looking slightly to the side. The background is blurred, showing what appears to be a bookshelf.

**"Business and
industry are
our last hope"**

FIVE RELATED ARTICLES, PAGE 61

A FIRST BOUND COPY

Psychologist Kenneth B. Clark

Do NOT remove from office

**Business leaders' '68 forecast
Wilbur Mills on spending crisis
To make people listen...**

POUGH COPY

To achieve total environmental control, everything must work constantly to enhance man's activities, not just support them. His working area must function, not merely enclose. And probably no area can make a larger contribution to environmental control than the ceiling. For here you find the most logical place to house functions such as lighting, air distribution, acoustical control, and fire protection.

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Here, on a continental shelf, is an imaginative glimpse at what a corporate headquarters might look like in years to come. On the balcony level at the right, comfortable lounges await visitors, and a key executive's office, complete with a "think-walk," allows visual access to the workings of his managers. Below, Mechanical walkways carry personnel to various locations within the structure. Other conveyances speed from one unit to another within the undersea complex. This totally controlled environment will successfully house many people using diverse forms of electronic technology.

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Nation's Business

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The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

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Cover photograph by Joe Covello—Black Star

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$25.75 for three years; Canadian \$9 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1967 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—1615 H Street N. W., Washington, D. C. 20006



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WASHINGTON: A LOOK AHEAD

National obsession with the plight of the cities seems boundless.

It's typical of America's pendulum politics. It usually starts with an intriguing statistic and builds rapidly on scraps of dramatic evidence. Then momentum swings pendulum out of bounds.

With the cities, it began with the widespread, well-known statistic that seven out of 10 people now live in the cities. All of a sudden, it seemed, we all turned into city slickers. Politicians went overboard.

It was as if every soul in the U. S. should be annoyed by eye-smarting smog, tensed by subway clattering, locked in traffic jams, wracked by crime and oppressed by mere proximity of his fellowman.

That's the way some officials have been looking at it, mouthing about it endlessly.

Then came riots, and politicians call for a massive "Marshall Plan" for the cities, even though Washington has spent nearly \$9 billion in the past five years on urban programs.

Of course, the big cities of the United States have massive problems of race, deterioration, congestion. But the national preoccupation with cities perpetuates a myth that we're all urban and all our problems are urban.

Not so. Look at these facts for balance, for common sense:

Believe it or not, we're still a small-town America. Only one in 10 of us lives in a big city—over a million population. More than half of us live in what some New Yorkers call "the sticks." We reside either in rural areas or in small cities—50,000 or under, towns of only 15,000 families or fewer.

Moreover, it's the small towns that are growing. Since 1920, the portion of Americans living in cities of under 50,000 has risen by 50 per cent; more and more, suburb communities

are where America hangs its hat, shops and goes to little theater. Increasingly, and desperately, we're seeking the solace of the countryside.

A Gallup poll not long ago found that about half the people liked small-town living; next largest percentage preferred the suburbs; only about one in four or five wanted to live in metropolises.

Even in the so-called Northeast "megalopolis," where in a few short years we're supposed to be stepping all over each other, people aren't any thicker—on the average—than about 500 per square mile. And there are great stretches of wilderness still. Most of us don't live packed in slums.

Only half the states have even one county with an urban density of 1,000 or more per square mile.

Politicians—particularly in Washington—would have you think there's no longer anywhere in the land of the free where you can still park on the street outside your office and that every downtown is ripe for the urban renewal bulldozer. The "crisis in the cities" has been drummed into us endlessly in the drive to dump new vote-getting money into socioeconomic urban experiments.

There's not a slum-dweller in the nation today who hasn't been told time and again by the politicians how bad off he is and how much the government ought to be doing for him.

Glance at some budget figures:

A couple of years ago, Washington spent about \$350 million for housing and community development subsidies. Now the Administration wants to obligate nearly 10 times that amount. This is for public housing, urban renewal, metropolitan planning, rent subsidies, urban transit and so forth.

And what's a generation of urban renewal

WASHINGTON: A LOOK AHEAD

and public housing done? Well, urban renewal has torn down people's homes, scattered low-income families around the cities, shrunk the supply of housing and raised its cost for the poor. Public housing? It has taken away many people's incentive to improve their earnings because they get booted out of public housing as soon as they earn a decent wage.

And certainly scores of millions in federal funds didn't solve all of Detroit's problems.

Any urban-type legislation appears sacred today. For example, opponents of the \$40 million rat extermination program were scorched even though the federal government already has five different agencies with rat programs, any of which could be expanded rather than start a new one.

High hopes are held for new experiments, planning, coordinating, model cities, incentives for getting business into the act. Industry know-how, innovations may finally furnish answers. (See "Business: Bridge to Racial Progress," page 62.)

Into the big cities also goes most of the \$7 billion relief money, not to mention about \$2 billion more for poverty war. In fact most of the total \$25 billion spent by Washington for poor goes to the cities.

If the poor are the cities' most distressing woe, certainly the spear-carrier of poverty agencies—Office of Economic Opportunity—hasn't won many battles.

Shriver's poverty army has made limited gains in rehabilitation, training, education. It has gotten some poor off the dole.

But where Shriver's OEO has made most spectacular gains is on two battlefronts:

Lobbying and publicity.

The Shriver's gracious soirees for Congressmen at Timberlawn, their Maryland mansion, known to some as Disneyland East, plus enlistment of everybody from the Conference of Mayors to Billy Graham to lobby for the agency, has born fruit.

The agency's anxiety neurosis about its public image is shown in brainwashing sessions for press and fact that it spares no expense to try to prove it is right. Whenever anti-poverty wrongdoing is exposed, OEO dispatches teams of investigators, issues reams of press releases, hip-shooting denials.

Even the most liberal find grounds for criticism. Former Assistant Secretary of Labor Moynihan, who now heads MIT-Harvard Center for Urban Studies, says in the eagerness to "maintain confidence" in government poverty fighting we tend to "avoid evidence of poor results" and pay "too little heed to the limited capabilities of government to bring about social change."

Former White House aide Richard Goodwin: "Modern poverty cannot be abolished by friendly edicts from remote officials." (See "Where Poverty Program Is Doing Poorly," page 52.)

All of this is not to say government should be doing nothing and that our cities aren't in trouble. Some of them are. Heaven knows the plight of the slum Negro demands action. So do other crises.

But politicians sometimes get things out of focus.

Certainly tax dollars will build a park and pay a policeman's salary. But money from a faraway government won't make one man like or understand another man.

The average city-dweller, white or Negro, leads a far, far better life than the average resident of Moscow, Peking or most other cities of the world.

Setting up a federal Department of Housing and Urban Development or an Office of Economic Opportunity doesn't solve all problems.

Likewise, many an American still breathes fresh air, and the closest thing to mass transit he sees is a station wagon. He grows his own tomatoes, never hears a subway roar, leaves his front door unlocked and expects neither federal rent supplement nor food stamps.



Elegance in action!



Shown above is the Fleetwood Eldorado, the world's finest personal car; below, the elegant Fleetwood Brougham. Cadillac Motor Car Division

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Business opinion:

Welfare and the businessman

To the Editor:

"Lavish Welfare Schemes Ahead" [August] was a most comprehensive account of the diversity of thought on the part of welfare theoreticians who hope to end the war on poverty in one broad stroke.

Although a charter member of the National Association of Social Workers, I do not always agree with our New York spokesmen.

Of course, we must end poverty, but this serious malady should no longer be left to the impractical theoreticians of my profession.

A team approach is needed.

My prayer is that American business will volunteer to assume a leadership role toward devising a sound means for the eradication of poverty once and for all.

In winning our war on poverty, we will surely capture the key to limitless economic growth.

But I am convinced that a guaranteed annual income scheme would stifle initiative and forsake to bureaucratic bondage millions of citizens capable of independence.

I suggest, instead, that every possible self-help incentive be built into the tax structure to aid upward mobile strivings and to foster the rapid growth of family-centered capitalism at all income levels.

WILLIS L. SUDDITH
ACSW [Academy of
Certified Social Workers]
Richmond, Va.

To the Editor:

Your article on "Lavish Welfare Schemes Ahead" was frightening. If the chant from Philadelphia, "Welfare is a right, not a privilege," becomes a reality, then the free enterprise system and profit-making for the individual is finished in this country.

Keyserling and his "welfare warriors" are bent on penalizing the middle- and upper-income classes in favor of the nonproductive poor.

And when they do that, where then will the money for the dole come from? If everyone's on it, who's going to provide it?

CHARLES R. BALCHUNAS
Editor
Supervision Magazine
Sarasota, Fla.

Humphrey's role

To the Editor:

Your article, "Billion-dollar Comeback" [August], implies that Vice President Humphrey was the only politician involved in the fight to pass the Taconite Amendment.

Your readers might even assume he led the fight.

The facts are that the critical battle came in 1962 when the Republican gubernatorial candidate, Elmer L. Andersen, made this a key campaign issue. While doing this, Mr. Andersen defeated the incumbent Democrat-Farmer-Labor Governor Freeman. At the same time,

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"The battles of business are often won with products that will do more than others, but the wars of business are always won with people who can do more than others."

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Today that statement may be regarded as too much of a generalization. For while business certainly needs *can do* people as never before, it needs also, because of their high cost, to utilize their capabilities more efficiently than ever before—to pace "people availability" with production need.

In many companies, one of the new solutions to the high cost of people has been found by imaginative personnel managers and administrative people—by using temporary help on a *planned* basis. Or in other words, by paying people only when and where they're needed.

If that sounds radical or upsetting to your present organization, we can only tell you lots of companies are doing it. It takes some hard looking and some hard thinking, and in some cases, the ability to open closed minds. But key managers today know that "We've never done it that way before" isn't a hopeless reaction; that it is, in fact, a very normal one that's usually only looking for a little logic and perhaps a little conviction, especially when the new idea promises to cut costs.

We also know your next question, because we heard it at least once from the thousands of companies we serve... big ones, small ones, all types of business, in fact, most of the largest corporations in the United States. "How do we know we'll get good temporary people—*can do* people?" And while that's our problem, it's also your business, and we want you to feel good about

counting on us, to understand and believe that "we know what we're doing." But rather than tell you that our *can do* ability is really twenty years old—that it was the premise on which Russell Kelly founded our business, it's more important that you understand the principles Mr. Kelly established that assure you of good people, *when* you need them and *where* you need them—nationwide.

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Contrary to what you might think, popping in and out of jobs doesn't call for less than average ability or talent. It calls for more. Especially when you add the guarantee which says if our customer isn't completely satisfied with Kelly performance, he doesn't pay (though we still pay our employee). Which should prove to you that the kind of people we have are *can do* people. They have to be, or we'd be out of business.

I have the feeling this copy is getting a bit long, so let me add only this—if you're a businessman looking for a way to cut costs, there's a Kelly manager near you who knows your market inside and out. If he can help you, by providing Kelly people on either a planned or a hurry-up basis, he'll do it. And I promise you this: that whatever you ask of him or our employees, you'll find that they... CAN DO.



T. E. Adderley

T. E. Adderley
President
Kelly Services



Impala Custom Coupe, foreground. Chevy II Nova 4-Door Sedan, top left. Chevelle Malibu Sport Sedan, top right.

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Chevrolet means business.



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SOME DEALER FRANCHISES STILL OPEN

Business opinion:

many Republican-indorsed candidates for our nonpartisan legislature carried the Taconite Amendment issue to the people. It provided a graphic contrast in philosophy between them and their DFL opponents.

It was at this point that Minnesota's DFL leaders decided to abandon their historical opposition not only to the Taconite Amendment but to the entire mining industry.

It is true that the then Senator Humphrey played an important part in getting his party to at last drop its opposition to the amendment.

In the opinion of knowledgeable Minnesotans, this was merely the recognition of an accomplished political metamorphosis.

MEL HANSEN
State Senator, 34th Dist.
Minneapolis, Minn.

Lip service or reform?

To the Editor:

After reading "New Era For Business" [September] I felt elated that finally business could look forward to more equitable, trusting communication with Washington in the future.

Then this vision was rudely shattered by the realities in "Roots of Union Power" divulging overwhelming union influence in Washington and the unfair double standard applied by the Internal Revenue Service to the use of union funds.

Which am I to believe? More governmental lip-service or concrete action toward correcting these abuses?

JOHN D. DRAKE
Vice President
Hydrex Pest Control Co.
of California
Long Beach, Calif.

A first-class job

To the Editor:

Your penetrating article on "Executives Out to Pasture Find Greener Fields" [August], caught the spirit of International Executive Service Corps in its many facets.

It was a first-class job of reporting.

FRANK PACE JR.
President
International Executive Service
Corps
New York, N.Y.

Not unsafe

To the Editor:

"Washington: A Look Ahead" [August] makes it appear that boating is unsafe.

Of all the transportation indus-

Mary loves Thomas

Thomas ended the drudgery of collating by hand, the late hours to get rush jobs done, and the need to ask the other girls in the office to pitch in to do *her* job. Not to mention the endless, tiring walks around the collating table.

As you may have gathered, Thomas is a collator.

A Thomas 16-station electric collator is capable of assembling 9,600 duplicated sheets into sets per hour (that's 5 times faster than Mary). We have smaller and larger models too. All are capable of ending the bottlenecks, the overtime and the headaches of hand-collating. Capable of keeping Mary off her feet... and on her toes, doing the rest of her job!

Our story has a happy ending. Mary and Thomas collated happily ever after. It can happen to you, too. Girls: ask Mary. Bosses: ask Thomas.



Thomas Collators



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Business opinion:

tries in the country, organized manufacturers in boating are among those who have put public safety before self-interest.

Not only does the marine industry develop technical safety standards cooperatively with the public and the government, it also supports a testing, listing and labeling laboratory for public guidance and safety patterned after Underwriters Laboratories.

A. W. MACKERER
President
National Assn. of Engine and
Boat Manufacturers
New York, N.Y.

Blames insurers

To the Editor:

Your statement in "Business: A Look Ahead [August] that "damage lawyers" have long known that the deck can be stacked against insurance companies because of sympathetic juries is false.

The insurance industry's attitude toward the injured in regard to payments, and its crackdown requiring—or insuring—only saints as drivers, is having such a tremendous effect that the federal government may even take over this industry.

Let's see some articles on how the insurance industry must change its image by treating the victims of injury more humanely.

DONALD M. GORECTKE
Attorney at Law
Gorectke, Harris and Richman
Milwaukee, Wis.

Gov. Hughes' stand

To the Editor:

In your series, "Roots of Union Power," you might elaborate on our Governor Hughes' frank admission to a group of management people at a public hearing on the recently enacted law for strike benefits.

At that meeting he inferred that he would politely listen to their arguments against the legislation, but the Democratic administration had made a promise, and it was going to be kept—logic and legal precedents notwithstanding.

SIMON S. GASCOYNE
President
Colonial Finance Service
Verona, N.J.

Where safety lies

To the Editor:

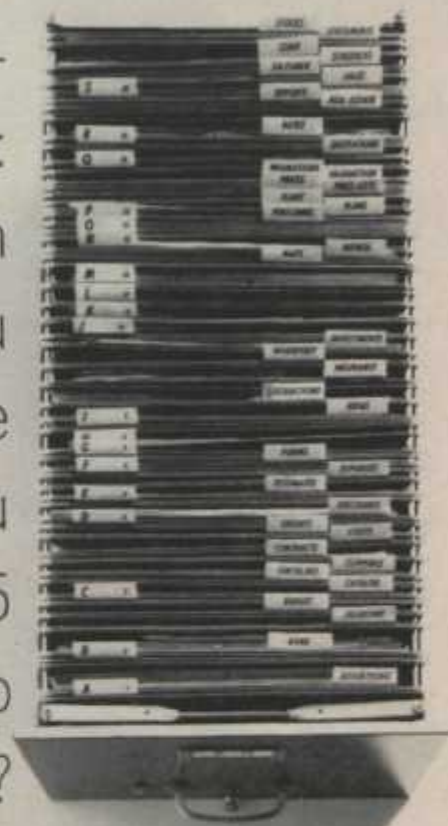
Congratulations on Alden H. Sypher's articles on automobile safety laws.

As one who drives approximately 50,000 miles a year, I am in full

Dead



Right



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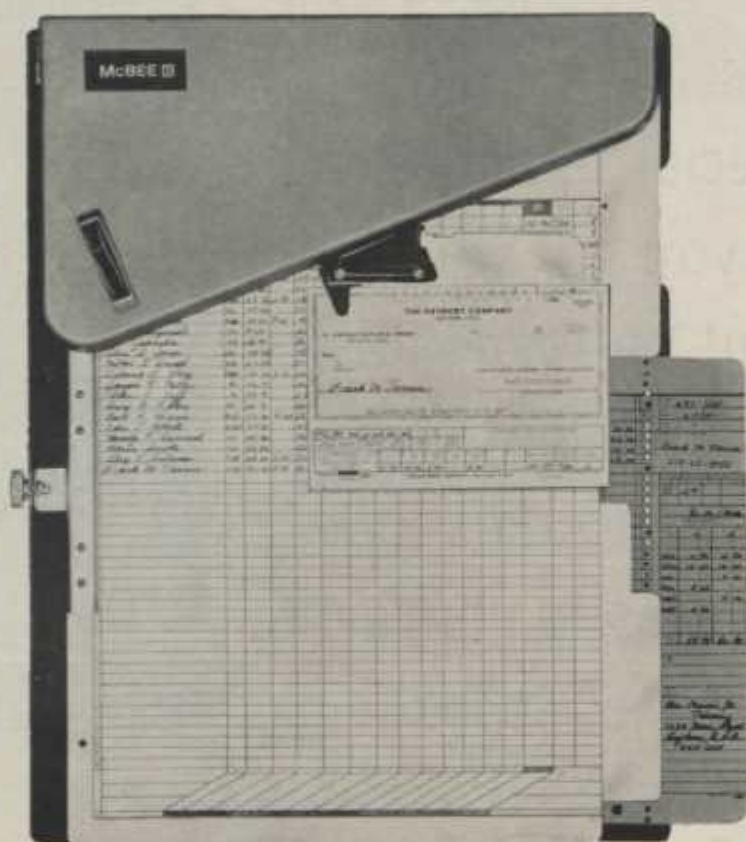
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McBEE

Business opinion:

agreement with his opinion that the safety law as passed by Congress was for the political advancement of certain politicians.

Safety does not lie with the automobile manufacturers, but with the people who are driving the automobiles.

HARROLD P. BOWEN
President
Bowen Supply, Inc.
Atlanta, Ga.

Business-government task

To the Editor:

We are all aware of an infinite variety of proposed rat control bills under consideration in many parts of the country.

Rollins Orkin Division, the world's largest pest control company with more than half a century of experience, has proved that the rat population can be controlled in any defined area.

To succeed on a community level, rat control measures must embody the cooperative effort of government, landlords, tenants and private enterprise.

The role of federal agencies should be to supply the motivation and effective leadership to the local authorities and the private sector of the economy.

The magnitude of rat control goes beyond estimates of almost 100,000,000 rats and a billion dollars of damage each year in the United States.

The problem must be considered in the light of the biological possibility of the rat population being able to reproduce itself in less than a month.

The effective control of rats is contingent upon elimination of their shelter, control of their food supply and effective extermination.

It must be the cooperative effort of government and private industry and not one or the other.

EARL F. GEIGER
Executive Vice President
Orkin Division of Rollins Inc.
Atlanta, Ga.

Can't believe his eyes

To the Editor:

My God! I couldn't believe my eyes as they skipped from paragraph to paragraph of Felix Morley's column, "When Nobody Can Dominate the World" [August].

This is the kind of thinking we need more of; it is the only route to progress—socially, politically, or economically.

EDWIN H. ROPER
Aurora, Ill.



"Doc Beemish calls this
electrostatic astigmatism."*

"He prescribed a new
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*Copy at left made on a leading electrostatic copier. Copy at right made on a "209" Copier. Based on a comparison conducted by an independent testing laboratory.

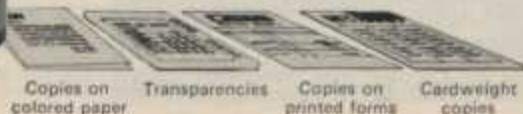
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Ocean-going vessels...rail...truck...low-cost barge...air...bus...the Houston-Gulf Coast offers them all—and with no blizzard and ice tie-ups.

More than 86,839,000 tons a year move through the area's superb deep water ports. Eleven scheduled airlines serve domestic and foreign travelers. (The nation's first intercontinental airport designed for supersonic transports will open here in 1968.) Six railway systems and approximately 107 steamship lines serve shippers here. Barge tows move along the Intracoastal Waterway and the inland waterway system to points throughout the South and Middle West. And an enor-

mous inter-plant pipe line complex links the area's petro-chemical industries.



Want more facts, in complete confidence? Write Fred Staacke, Vice President, Houston Lighting & Power Company, Box 1700, Houston, Texas 77001.

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Executive Trends

- 1984—Richer, or obsolete
- Time to draw up Plan B?
- Team learning new wrinkle

A look ahead —at 1984

Orwell to the contrary, 1984 won't be a bad year for all.

You're making \$40,000 a year now?

You could be making \$120,000, maybe more, by then. So goes the prediction from one authority.

Demand for managers and top professional people will be staggering. U. S. business firms will have slots for two million of 'em—compared to 500,000 now.

Many execs will fill jobs that are rather rare today, like government relations expert, or corporate manager of social responsibility.

Though many salaries will triple, some jobs will disappear.

Many middle managers and administrators in the \$8,000 to \$15,000-a-year bracket will be obsolete. That goes for some insurance underwriters, quality control experts, programmers, distribution experts. New technology will bury 'em.

That's the way one management consultant, Sibson & Co., New York, N. Y. 10022, sums it up in a new report. Based on a six-month study of data from several hundred firms, mostly large or medium, it also projects:

- A Federal cop to ride herd on recruiters. To curb unfair, no-holds-barred rivalry to corral executive talent.
- Imaginative, new exec pay packages. Only part in cash, rest in fringes like loss-of-job insurance, portable, vested pensions.
- Death of a salesman—the commission man. He'll go on salary, plus other incentive rewards.

- Business exodus from megapolis. Some big cities, like New York, "may become vast poverty areas."

Dusting off Plan B

Got an emergency plan to cover disasters—natural or man-made?

Kelly Services, Inc., had to dust one off during the Detroit riot. The firm makes up its payroll for all employees, coast to coast, at its Detroit office.

Kelly put Operation Mobile Payroll into effect when the riot broke. It carted all vital pay records, first to Pontiac or Flint.

With help from branch organizations in other Michigan cities, it had 14,000 weekly pay checks in the mail—on time.

Other business firms now work on own standby disaster plan. It's what one executive calls Plan B—the blueprint you always keep handy in case the ceiling falls in.

New way to school managers

"You train executives like you pick grapes—in bunches."

That's the view of the American Foundation for Management Research, Hamilton, N. Y., an affiliate of the American Management Association.

"If one executive goes to a seminar or training course, he comes back bubbling with new ideas," an AFMR spokesman says. "But they don't rub off on others."

"So he loses enthusiasm—and the training's wasted."

Team learning is the answer,



Low-priced time clock helps small companies meet strict wage-hour law requirements

Accurate time records and proof of compliance are mandatory for all companies subject to the wage-hour law. More and more companies are finding it pays to avoid wage-hour trouble with clock-stamped payroll time records. A bonus benefit is that resulting employee respect for time discipline shows up in increased production!

Latham leads the field with a deluxe, fast-operating top-inserting time recorder that provides error-free two-column payroll accounting for straight time and overtime. And Latham makes time clocks feasible for companies with as few as three employees with low-priced side-printing models which may be used for job time as well as payroll time.

LATHAM TIME RECORDER COMPANY

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Please send me complete information and prices, also payroll time card samples.

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TIME RECORDERS
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TIME STAMPS
WATCHMAN CLOCKS

Does not disturb.



Ever try to talk over the din of a mechanical calculator? Or think? Or work?

It's hard. And irritating.

You can soften the noise with acoustical tile. Or you can eliminate it with a 130 Electronic Calculator by Friden.

The 130 has no moving parts, so it can't possibly interrupt your conversation. Instead of levers and gears, it works problems with solid-state electronic circuits. Instead of rotating dials and a shifting carriage, it shows answers on a cathode ray display tube.

Solving a problem on the 130 is a quiet (and simple) joy. You enter everything in a logical 1-2-3 order. As each new factor is indexed, the

old ones move up a line in the stack of four registers. To store a constant, simply touch the storage key (this eliminates worksheets—the most common source of operator error).

Your final answer appears in *milliseconds*. Faster than you could write the entire problem down on a sheet of paper.

Tests prove the 130 can more than double the output of its operator. Which shows what solid-state electronics plus a little peace and quiet might do for your company. Call your nearest Friden office for a complete demonstration. Or write Friden, Inc., San Leandro, California 94577. Sales and service throughout the world.

Friden
DIVISION OF SINGER

EXECUTIVE TRENDS

continued

AFMR finds. It takes the top brass—the boss plus his closest associates—and puts them together for a five-day, high-pressure program.

The exercise: To solve together a specific management problem the executives select.

Does the system work?

AFMR's new Management Learning Center can handle five teams at a time. It's booked up, as much as five months ahead.

If you're stuck for help—

Might try part-time workers.

They're not all just high school kids picking up a few bucks on weekends.

More than 17 million work part-time—usually by choice. They make up about 20 per cent of the labor force.

Department stores, and some other retail businesses, rely on them heavily. Many are married women between 35 and 54—who worked before they said "I do."

The Country Clubs' Plight

Dues go up last year?

That's the trend, nationwide. The reason—rising costs.

Last year, golf course upkeep cost big country clubs an average \$4,529 per hole (up \$302); medium, \$4,190 (up \$166); small, \$3,012 (up \$382).

Payroll costs rose eight per cent; income 10 to 12, thanks to boosts in dues, chief source of club revenue. Laventhol, Krekstein, Horwath & Horwath, Washington (CPA) firm says in its new annual country club report.

Big clubs (average membership 767) income averaged \$487,000 yearly; medium (average membership 632), \$165,000; small (average membership 467), \$131,000.

A new breed in salesmen?

"I wouldn't want my son to be a salesman.

"Or my daughter to marry one."

That's how many Americans, swayed by Broadway and Hollywood, once felt about a sales career. But that's changing, one authority finds.

More and more college grads are switching to sales, Michael Riordan,



Get together with an Allstate Agent. He'll be happy to see you at your convenience, after hours or whenever you wish.

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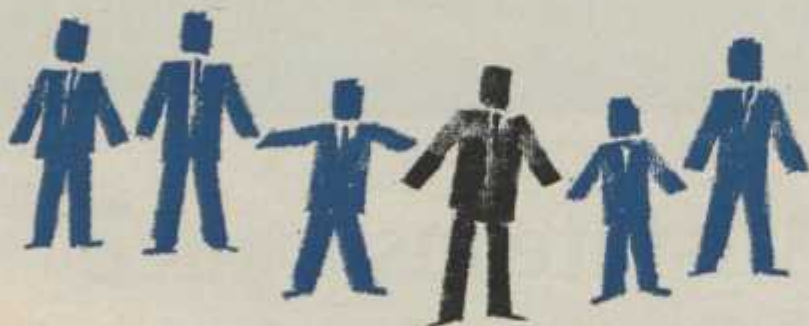


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***“everything
that gets done
within a
society
is done by
individuals”***

—Aldous Huxley



And that's the way it is at your Chamber of Commerce. Without the active and enthusiastic support of many men and women, nothing could be accomplished. It takes people to serve on committees, to conduct membership drives, to run meetings, to dig up facts, and to do the countless other jobs associated with a progressive Chamber.

It goes without saying, the more people who take part, the more that gets done. So, come on around to your local Chamber. There's a job for you, too.



PETE PROGRESS

Speaking for the local chamber of commerce in your community

EXECUTIVE TRENDS

continued

board chairman, Equity Funding Corporation of America, Los Angeles, Calif., says. And so are professional men, he claims.

"They know the pay checks are bigger there."

Equity employs nearly 1,200 mutual fund and insurance salesmen.

"The U. S. economic system, like the political system," he points out, "is based on persuasion."

"And the best paid people in our economy are those who sell products, services or ideas."

Success won't kill you

At least, it needn't.

That old saw—that heart attacks happen mostly to big shots—is bunk, one expert says.

"Business executives are no more prone than anyone else," Dr. Jeremiah Stamler, well-known authority, asserts.

And, he adds, a man's chance of a heart attack before age 65 is only one in 20 to one in 50, provided:

- His weight, blood pressure and electrocardiogram are normal.
- His blood cholesterol level is below average.
- He has no diabetes, nor kidney or thyroid damage.
- He's moderately active, and not a heavy cigarette smoker (10 or more a day).

"Your heart is the sturdiest muscle of your body," he says.

Corn Products Co., New York, N. Y. 10022, has distributed more than one million copies of his award-winning booklet, "Your Heart Has Nine Lives." Written with science writer Alton Blakeslee, it tells how to curb the danger of cardiac attack.

Just made committee chairman?

Here are a few tips that will help you do a bang-up job and catch your boss's eye:

- Start the meeting with a clear definition of its goal.
- Get every member to loosen up and speak his mind.
- Quit on time.
- Make a record of what's been done—and what's left to do.

They're helpful hints from "Highway to Successful Committee Meetings." It's a pamphlet you can get from Chamber of Commerce of the United States, Wash., D. C. 20006.



**Behind the better service you get
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is 125 years' experience.**

And an NCR computer system.

With one store in Richmond, Va., it was easy for Great Grandfather Thalhimer to know what his customers wanted. It's even easier for Bill Thalhimer, Jr. with 23 stores. Every single sale rung up on NCR control registers is taped for his NCR computer. The computer tells Bill Thalhimer what his customers are buying, passing up, paying for and charging.

Without sifting through mountainous reports, he gets information he needs to stock what customers want, keep charge accounts straight, and run a store that serves its customers well. Useful information is NCR's business. Always has been.

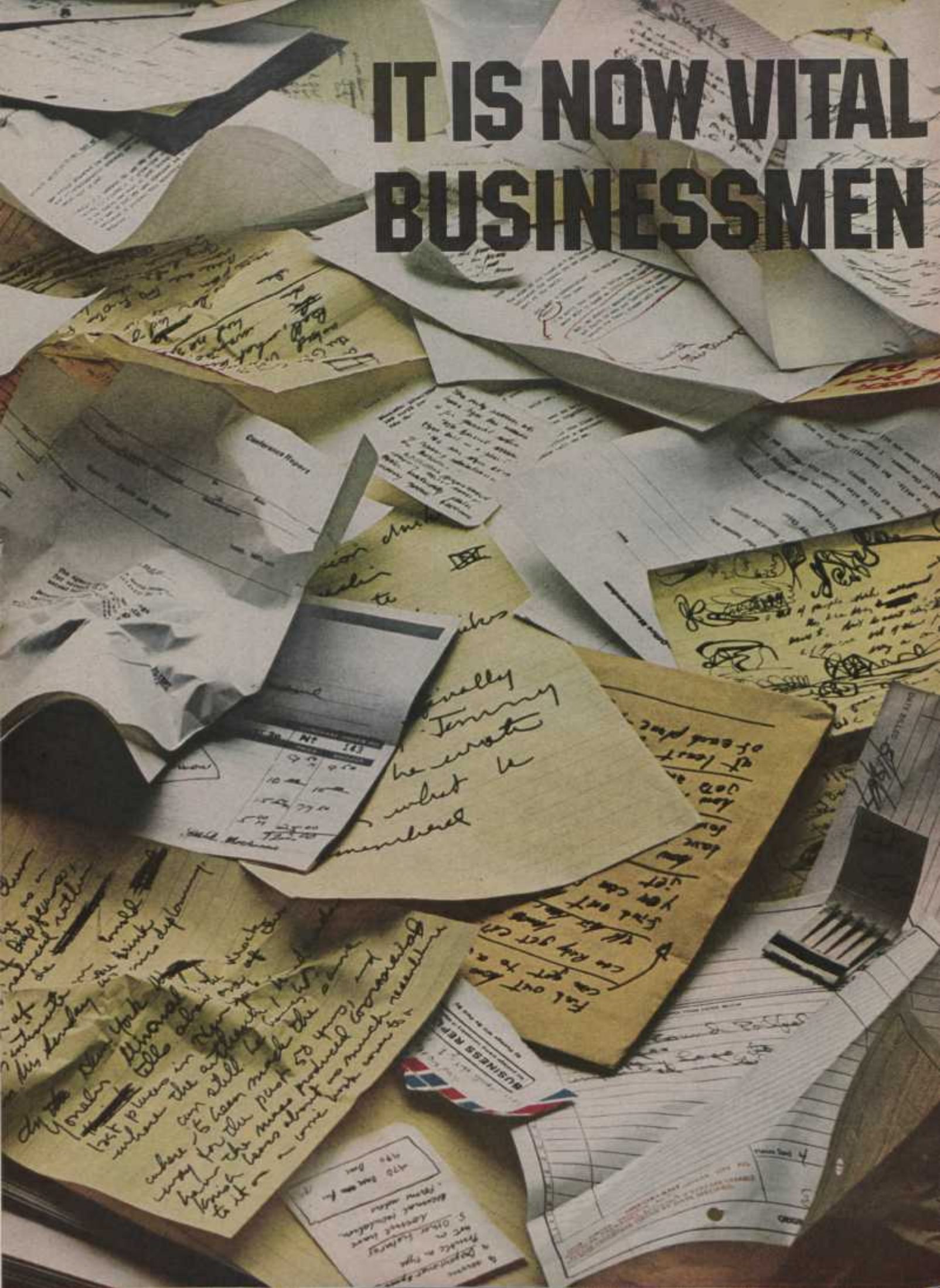


N C R

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IT IS NOW VITAL BUSINESSMEN



THAT AMERICAN FORGET HOW TO WRITE.

What's going on in American business today is ironic. If not catastrophic.

The man who is hired to work with his hands in a factory has plenty of time to think because he is given automated tools to work with.

Yet the man who is hired to work with his mind in an office has very little time to think because he is given manual tools to work with.

A pencil, a typewriter and, if he's lucky, a secretary to help him.

They aren't enough. American business is in the throes of a paperwork explosion. It's so real your eyeballs should be spinning at what it's costing you.

The Profit Squeeze

In 1953 it cost \$1.17 to get a business letter from one businessman's head to another businessman's hands. Today it costs \$2.49.

112.8% more. Per letter.

In 1955 a secretary to handle these communications cost \$4,539 in salary and overhead. Today it's \$6,396. At that rate, in 1975 she'll cost \$9,018.

That's right. \$9,018.

The Productivity Squeeze

Secretaries today are producing usable words at basically the same rate secretaries were producing them 20 years ago.

To put it another way. In 1975, you will be paying 1975 salaries for 1945 productivity.

The People Squeeze

Between 1960 and 1965, the number of professional, technical and managerial people creating paperwork increased 22% over the number of people to do it.

By 1975, this gap will have grown to 57%.

It is actually going to reach a point where no matter how much you're willing to pay in overtime, or for part-time help, and no matter how much you're willing to lower your standards, you're not going to get the work out.

We are running out of people to process paper.

Chaos Around The Corner?

Not quite. Right today, one man using IBM dictation equipment can get four times as much thinking recorded as he can by writing it down with a pencil, and very nearly twice as much as he can by dictating

to a highly skilled secretary. Without tying up the secretary's time while he's doing it.

And with the IBM MT/ST (a rather remarkable automatic typewriter that takes a secretary's rough draft and types it back error-free at the rather remarkable rate of a page every two minutes), a secretary can get those thoughts out the door in final form, including your revisions, in half the time.

Used systematically throughout an office, these two pieces of IBM equipment alone have increased people's productivity by 50%.

Which means that at a time when paperwork is increasing faster than the number of people to do it, a company can handle the increase with the people who are available.

And still be able to give the people who were hired to work with their minds more time to work with their minds.

Call, don't write (not at \$2.49 a letter!) your IBM Office Products Division Representative. He's ready to come in and talk in detail about your particular problems. And opportunities.

Machines should work. People should think.

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The IBM Selectric® Typewriter. The typewriter that eliminates jamming and lets you change type faces in seconds.

IBM Desk Top and Cordless Dictation Units. Four times faster than writing it down and almost twice as fast as dictating to a secretary.

The IBM MT/ST. The typewriter that turns rough drafts into perfect copy. Automatically.



Ford operators are the most.

More operators are familiar with Ford rigs than with any other make. ■ That's because there are more Fords around than any other make. And, operators like Fords because Ford builds in features that reduce operating effort and fatigue. ■ For example, only Ford offers you more time-and-effort-saving transmissions for fast-cycle shuttle operations. Choose manual-reversing 4-speed transmission—or completely clutchless torque converter with power-reversing 4 or 6-speed transmission—or power-shift with 10-speed transmission. ■ Then, there are the other features. Clutter-free loader design for easy access to the padded, contoured seat. Ample leg room. Self-leveling loaders. Backhoes—noted for digging power—with easy-acting, fatigue-reducing controls. ■ All this adds up to more productivity, more profits for you. Good reasons for seeing your Ford tractor and equipment dealer soon. ■ Ford Tractor Division, 2500 East Maple Road, Birmingham, Michigan 48012.



Most rental yards and many Ford tractor dealers rent Ford tractors and equipment by the day, week, or month. See the Yellow Pages.



It's always the same old question

BY PETER LISAGOR

The President mused about his long years in public service as he sat at his desk, disconsolate and weary. He was writing a letter to an old friend, and his mood bordered on despair as he complained of the abuse he was getting from the press.

He said he felt that everything his Administration did was treated with "such exaggeration and indecent terms as could scarcely be applied to a Nero; a notorious defaulter; or even of a common pickpocket."

The anguished Chief Executive was George Washington, and some of the abuse to which he objected included charges that he was "a front for Tories, speculators and indeed all the British party," and that he was "the stepfather of his country."

A schoolboy may wince at such revelations about America's Revolutionary War hero and first President. But the present occupant of the White House finds a certain comfort in the predicaments of his predecessors. He is sustained by the thought that they suffered adversities, and survived. His associates and friends have dug up historical data to prove that some of the recent crises have had remarkable parallels in the past.

For example, a few weeks after the disastrous riots in Detroit, he began to read excerpts of a report on the Motor City to visitors. It was a memorandum to the Attorney General from a special assistant who went to Detroit to investigate conditions there. It vividly described the nature of the riot, speculated about the causes, and gave a reporter's play-by-play account of how it unfolded, with special emphasis on official indecision and police inadequacies.

When he would finish reading from the report, Mr. Johnson would turn slyly to his listeners and slowly read the date of it: July 12, 1943!

The report was prepared by a Justice Department official under President Franklin D. Roosevelt after the violent race riot during World War II, and was sent to President Johnson by Washington Attorney James Rowe Jr., who was one of FDR's special assistants.

Mr. Lisagor is the White House correspondent for The Chicago Daily News.

PHOTO: BILL PIERCE—BLACK STAR



Not even the White House can shield LBJ from that perennial problem that faces all men in public office.

and who was struck by the astonishing parallels to what happened 24 years later.

The point of Mr. Johnson's recitation was that Roosevelt had a two-front war on his hands with Japan and Nazi Germany, and "his Detroit too." It is nothing new, he explained, for Presidents to be beset with crises and prophecies of doom.

Compared to the plight of some of his predecessors, and the abuse they endured, Mr. Johnson feels he hasn't too much to complain about. But this is a little like pressing on a sore tooth for the relief that comes when you stop pressing. Even the President seems aware of this because he often carries in his coat pocket a couple of 3x5 cards on which are listed the crises he has handled since early spring. They include a broad range of domestic and foreign events: the Israeli-Arab War, the rail strike, the talks with Soviet Premier Kosygin at Glassboro, N.J., the draft bill and the ruckus over sending C-130 cargo planes to the Congo, the riots in Newark and Detroit, the request for higher taxes, and the most chronic and divisive crisis of all, the Viet Nam war.

Just why he likes to tick off his troubles is not precisely clear; his motives are probably mixed. He

TRENDS: WASHINGTON MOOD

sometimes reads off the list to enlist sympathy for the great burdens that weigh upon him; he also has been known to do it in a combative mood as if to suggest that he is as formidable as the challenges that afflict him. But more often, he relates his problems to the past.

He has told recent visitors that historians and commentators of the times alike have predicted catastrophe, and his staff has dredged up a few to illustrate the point. Doomsaying, the President feels, is "standard American fare, like fried chicken and cobbler in Alabama."

He recalls that though the criticism of his Administration is widespread and intense, other Presidents have, by contrast, experienced even more violent barrages from the press and the opposition. He maintains that he hasn't been subject to anything like the bitter assaults upon Herbert Hoover during the Depression, nor to the wrath directed at Woodrow Wilson, the dissent and hostility through which his idol FDR passed, and the contumely poured upon Harry S. Truman, who fell to such low estate in 1948 that almost everybody, except Truman himself, believed that Republican candidate Thomas E. Dewey would be the next President.

• • •

After a summer of assorted woes and discontent, the President might have plagiarized the old football coach whose system was dubbed, "Punt and pray." With Congressional resistance and criticism at its height, with a decline in public esteem reflected in the public opinion polls, with the Vietnamese war dragging on at a seemingly interminable pace, the President seemed to have no choice but to play for the breaks.

His defensive posture, however, made him even more vulnerable. In the best of times, a President who tries to satisfy everybody finds himself all too often satisfying nobody very much; in the worst of times, he is a sitting duck for every fugitive grievance from left, right and center.

His erstwhile liberal supporters have assailed him for apparently abandoning the Great Society (a label that has been quietly buried for many months) and for not coming forth with grand new schemes to solve the urban crisis. They link the failures to pacify and elevate the slums to an endless obsession with the Viet Nam war. While in the main opposing an outright scuttle-and-run policy, they would be willing to pay a higher price for disengaging than the President believes the nation can afford as a world power still professing to offer leadership to its allies and the non-aligned.

The conservative support he has had on Viet Nam has wavered, being loathe to accept a guns-and-butter doctrine and wondering if the war effort has not been inhibited by the vast outlays for domestic purposes. The hawks among the conservatives want to bomb Hanoi into submission. But everybody, both hawks and doves, are frustrated and confused and increas-

ingly dubious about the President's direction. The President's Viet Nam policy has raised the question of whether the game's worth the candle.

Mr. Johnson's own attitude is that his course in Viet Nam is dictated by the best military and civilian advice available to him within the government. He thinks he and his associates know better than their critics the whole picture, and that the use of the term "stalemate" to describe the situation is a libel on the progress on the ground in South Viet Nam as well as in the air war over North Viet Nam.

In any event, he shows no signs of trimming his sails to meet the criticism, and from all current evidence, he is altogether willing to submit his Viet Nam policies to the people in November, 1968, if the chips should fall that way. It is the President's judgment that North Viet Nam's Ho Chi Minh probably does believe he may get a better deal if the Republicans win in 1968, but the old communist leader may be living in a fool's paradise. For among the four or five potential G.O.P. candidates for President, at least three strongly support the present policy and even advocate a more vigorous prosecution of the air war, as LBJ sees it.

Some observers here believe that the President himself may be whistling in the dark about Viet Nam, unaware of the depth of public disenchantment with the war. He is, in the phrase of one, a captive of his generals who bombard him with buoyant reports of how well the war is going and how impossible it is for Hanoi to hold on indefinitely. He also has failed to grasp the fact that, unlike most past wars, Viet Nam has been a divisive force, devoid of any patriotic uplift; this, many believe, accounts for his refusal to believe that the American people will turn against their President in the midst of a war.

• • •

Mr. Johnson has an almost poignant belief that his problems are outweighed by his accomplishments. It often happens that a man's record is better than his reputation, but here again the President's optimism may be soured by events. He is comforted by the fact that a confrontation with the Russians was avoided in the Middle East during the short-lived Israeli-Arab war. Europe has been stable, despite French President de Gaulle's obstructionist tactics, and there has been relative tranquillity in Latin America, despite certain volatile spots. Even Viet Nam has not prevented a number of minor agreements with the Russians.

He boasts of the nation's economy, which has flourished uninterrupted for almost seven years, and is unreservedly proud of his civil rights programs, his anti-poverty campaign, and his proposals to attack the ills of the cities.

But less than most men, a President is limited in his capacity to lean upon the past for solace or solvency. The late Alben Barkley immortalized the ungrateful voter with his story of the beneficiary of many favors who asked his benefactor, "What have you done for me lately?" As a politician not greatly trusted or revered, President Johnson must be aware that he cannot settle for past performances and that the voters will want to know of him, more than most, what he has done for them lately.

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Does business need more brains, muscle or ideals?

BY FELIX MORLEY

One swallow does not make a summer. But three books on corporate management, all concerned with its moral overtones and all appearing recently, carry considerable collective impact. The theme of all three is that business in the United States faces a new and disturbing era, and must develop a positive philosophy if it is to meet the challenge.

In order of publication, and perhaps in ascending order of immediately practical value, these books are: 1, "Man and Management," by Thomas G. Spates; 2, "America's Mainspring and the Great Society," by Whiting Williams; 3, "Corporate Management in a World of Politics," by Harold Brayman.

All of these men know the problems of management at first hand. Mr. Spates is a former vice president of General Foods, has been a professor at Yale and is chairman emeritus of the Council on Personnel Administration, National Industrial Conference Board. Mr. Williams, still a lively veteran at almost 90, has been an adviser to many companies in labor-management relations. Mr. Brayman was a leading Washington correspondent before becoming Director of Public Relations for Du Pont, from which he recently retired after more than 20 years of brilliant service.

Each of these books is a unit in itself. Each is quite different from the others and all were written wholly independently. Yet they have an underlying unanimity which reinforces the separate arguments. It has been my good fortune to be a friend of all the three authors, over a period of many years. They will pardon, I am sure, this endeavor to show that their grouped contributions give an added significance to each individual accomplishment.

• • •

Of the trio Mr. Spates is the most scholarly, as befits his academic connections. His thesis is that American business is successfully putting into practice "a philosophy of humanism that had its origins in classical Greece." To make this point effectively

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

Mr. Spates goes back 2,300 years, to give Euripides "first honors in the front rank of behavioral scientists." The trouble is that the trail from Euripides on becomes a little wearisome before it reaches "The Spiritual Content of Business Administration" in the United States today.

Mr. Williams, by contrast, is concerned with psychology rather than culture. He has had an extraordinary industrial career, gaining experience by periods of employment, and unemployment, as a common laborer in this and half-a-dozen other countries, including Soviet Russia. From this he concludes that even



PHOTO: TOM CLARK

On Capitol Hill, and on campus, business leaders must reach the lawmakers and molders of opinion.

the most debased and incompetent of human beings preserve to the last a measure of self-respect, "a hankering not only of the body but also of the soul" for recognition of some kind, even if it is only for proficiency as a thief or drunkard. This ineradicable yearning, it is cogently argued, can be constructively developed only when the employer recognizes human kinship with all his underlings. Public "relief" agencies, which ask nothing of the failure but only give to him, will never have this curative effect.

As Mr. Spates delves into the distant past, so Mr. Williams tends to wander somewhat in the present. There is a prolixity of quotes demonstrating that the

TRENDS: STATE OF THE NATION

London docker, the Ruhr miner, the French textile worker, are all as antagonistic as the traditional American to a meaningless job. Mr. Brayman, by contrast, sticks resolutely to the here and now. His is a book for the desk and not the library. But its value as a practical guide is enhanced by the broader perspective of the other two. What has been important to men for over two millennia, and what is important whatever language they speak, is certainly not remote from our contemporary domestic problems.

Harold Brayman fears that American business leadership is now—by and large—out of touch with public opinion. This does not imply that what the majority wants at any moment is either wise, feasible or socially desirable. It does mean, in a democracy, that a public-be-damned attitude is suicidal. If that is apparent in a single industry, or even in one important business, a general contamination results.

Business leadership has conspicuously failed, says this well-informed critic, in its relations with those who mold public opinion. The educator is commonly regarded as “an impractical visionary who has never had to meet a payroll.” This attitude aggravates “the scholar’s stereotype of the business man” as one “dedicated to self-seeking and self-interest at the expense of society.” There is much need for cross-fertilization over the frontier between the academy and the executive suite, as the Spates book also suggests. Brayman does not think this is achieved by schools of business administration which concentrate on specialized training in routine subjects.

Equally unfortunate, says this experienced reporter, is the aloof attitude of many business leaders towards their elected legislators, and towards professional writers who seek information on the operation of their companies. Frank and helpful cooperation should replace suspicion and secrecy. If there were a better interchange in this field, public resentment against price increases “would be directed against the groups that cause inflation, not against the business which merely was forced to put it into effect.”

Mr. Brayman knows full well that there are writers who, with malice aforethought, seek to put business leadership in an unpleasant light, and that there are teachers who would rather indoctrinate than educate. But this makes it the more important to set the balance straight, in that temperate manner which is far better than exasperation for carrying conviction. “The difficulty is” that the philosophy of free enterprise “is almost never spelled out by businessmen in an understandable way.”

The professional communicators and educators, in the opinion of this author, collectively exercise preponderant influence in America today. Realization of this by business has become “a matter of sheer necessity for survival.” The purpose of better mutual understanding with those who form public opinion, however, is not to pressure officials into a pro-business attitude. “The whole system of business against

the government and the government against business must necessarily be supplanted by a more modern cooperative relationship.”

It is as a scourge rather than as an unguent for the business conscience that this book excels. Its intentional emphasis is on the deficiencies rather than the achievements of industrial and commercial leadership. And there is a sharp edge to Brayman’s pen. Is it really necessary, he asks, to make “intelligent people gag” at TV commercials for deodorants, hair-sprays and hangover cures? “It is not what business tells people that counts, but rather it is what is believed that counts.”

Mr. Spates suggests that business leadership in this country has already produced an environment which favors “the irresistible urge of human personality for self-expression and self-realization.” Mr. Williams strongly emphasizes this urge, but is profoundly distrustful of the welfare state and the tendency of sentimentalists to feel *for* the forgotten man rather than *with* him.

The position of Harold Brayman on the sociological spectrum is between these two. He is not so sure of the moral superiority of business and he is not so fearful of the tyranny of centralized government. So he urges “business statesmanship” to seek the golden mean, to recognize “the new dominant force of public opinion” and to lead out of contemporary confusion with “a motive a bit loftier than the marketplace requires.”

It has been said that no civilization can long survive without a dedicated leadership that seeks above all to uphold the dignity and worth of its ideals. Among the ancient Hebrews the priesthood fulfilled this function; in Greece the teachers of philosophy. Landowners, merchants, soldiers, bureaucrats and labor leaders are among the other elements that, at various times and places, have sought by precept, persuasion or unbridled power, to keep their people “in form.” In the process there has been much selfishness and narrow class interest. But there has also been the ideal of service above personal advantage, what in the days of chivalry was known as *noblesse oblige*.

It is also said that in a democracy there is no place for an elite. This is always questionable since it implies that what we cherish is a dead level of mediocrity, which is not the way most Americans interpret the national heritage. Certainly when storm clouds gather and leadership in behalf of the general welfare becomes essential, the challenge calls for more than a mediocre response.

The significant argument of these three books, identical in this for all their differences, is that American business has both the capacity and the talent—though currently undeveloped—to guide the nation through the storms that now beset it.

A leading class does not need to be a ruling class, nor even a class in any rigid or exclusive sense at all. But both concerted and protracted business action will be needed to achieve Harold Brayman’s vision of “a new economic and political world in which the progress of all people—including business—could be astounding.”

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As others see us— some eye-openers

BY ALDEN H. SYPHER

Fifteen foreign newsmen starting out on one-year fellowships to study the United States were told by their hosts: "Our aim isn't that you love us, but that you know us."

One of the first clear impressions gained under this venture in international understanding must have been formed when the journalists tried to follow the guide presented to each one on how to see New York on \$5 a day.

The journalists were advised by their sponsors to suspend judgment for a few months to gain deeper insights with time and travel than first impressions might provide.

If they follow this advice they might come up with some answers that would interest us as well as the readers of their journals, which are scattered throughout the world.

It would be interesting to find, for example, what they think of our government's policy under which 326 Arab military officers, including about 40 pilots, are receiving military training in this country.

This service was not interrupted during the Middle Eastern war in June, described by the Egyptian government as the "Anglo-American Zionist aggression"—a war the Arabs say still is in progress despite their "recent setback." Nor has it been terminated since.

Not even the belligerence of Iraq and Sudan in breaking diplomatic relations with the United States during the June war broke the continuity of training for 20 servicemen from those two countries.

There is no way of knowing how many of the 5,000 United Arab Republic officers and technicians held as prisoners of war by the Israelis were trained in this country.

If many were, they offer testimony to the low quality of kill and overkill courses taught by our Defense Department.

But offsetting such testimony is the point that we also train and are continuing to train Israelis who not only passed their classroom work with high

marks, but improved on it considerably. Some of the foreign observers getting to know America might think our experience in seeing our foreign trainees fall upon one another with intent to kill would cause us to call in our credit cards from the Middle Eastern warlords.

But the fact is the enrollment in our military finishing schools from these lands is doubling in the current fiscal year.

No doubt the same trend will apply to our fire now-pay later policy in bargain military equipment that brought U. S. built and supplied tanks face to face in the June war.

When Congress became somewhat restless about this policy the Administration announced that military aid to the Middle East was "under review." That's a pacifier phrase often used by the State and Defense Departments when Congressmen become restless—much as a mother uses a nipplelike device to quiet children.

• • •

The fact is that if military shipments have not already been resumed, they will be soon.

The procedure that governs such things was made clear in a letter from Townsend Hoopes, Deputy Assistant Secretary of Defense for International Security Affairs, to Rep. L. Mendel Rivers, Democrat of South Carolina, who is chairman of the House Armed Services Committee.

Mr. Hoopes assured the chairman that while the U. S. has a policy of friendship, aid and protection toward Israel, we also have national interests of the "highest importance in the Arab world."

Our goal, he said, is to encourage and strengthen the moderate Arab states in order to weaken the radical potential and to avoid a polarization of power relationships in which the United States would have no friends in the Middle East except Israel, "while the Soviet Union would gain uncontested influence and possible control through the vast and populous Arab world."

In plainer language that means the policy of the

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

TRENDS: RIGHT OR WRONG

United States is to work both sides of the street, and as many streets as it can find.

This policy has the beauty and appeal of simple logic.

We must move in, or the Russians will. Obviously then, the Russians must move in, or we will. In areas where there's no clear preference we both move in.



U. S. happenings are bound to puzzle visitors from abroad who expect hard, cold logic to prevail here.

Under this procedure it shouldn't take long to divide the world into two armed (or twice armed) sides—ours and theirs.

Of course there always will be some doubtbfuls, like France and Iraq. But when the division is reasonably complete and clear another step becomes inevitable.

Why have an arms race without determining the winner?

So the 15 foreign journalists studying the United States might well be sizing us up either as partner or adversary for that final go-around.

• • •

Of course the newsmen will see much of the greatness and the vastness of America during their travels.

They will learn that we do many, many things in addition to exporting guns on easy payment plans, and teaching the finer points of mass destruction to our overseas friends—as well as to some that might be enemies.

They will learn that we are a warm and sentimental people. That we have a heart. That we take care of our own.

In this, too, we sometimes work both sides of the street. We take care of our troops in Viet Nam, for example, by blacklisting non-communist ships that engage in trade with North Viet Nam.

We don't do much about it, except to say that these specific ships cannot carry United States government-financed cargo. That's a rather empty threat since these particular ships have no intention of visiting American ports, where they might pick up such cargo.

Thus we take care of our friends.

They respond with enthusiasm. The blacklisting began in January, 1966. At that time five ships of non-communist nations were carrying cargo to our enemy through Haiphong. By last August the number had jumped to 23.

British flag ships led the rise. They went from three to 13. Also showing increases were Greek, Italian, Maltese, Panamanian and Cypriot flag ships.

The British said their black-listed ships all were registered in Hong Kong, chartered to Communist China, and operated by Chinese seamen. In other words, no British blood is involved. Just profit. But what happens if a stray American bomb hits a British ship in a North Viet Name harbor and causes the loss of Chinese lives?

• • •

Another thing the visiting newsmen will learn about is the almost incredible capacity of LBJ. Despite the tremendous demands that so many foreign and domestic problems place on his time and attention, nothing in the government is so small that it escapes the attention of the nation's No. 1 grandfather.

A more ordinary man might have forgotten the Subversive Activities Control Board ever existed.

Most other people have. After all, in its 17-year life it has never controlled a subversive. It never has accomplished anything at all.

This witch hunt had a fast start and a short life. The act of Congress establishing it was so full of fault, principally in its violations of the Constitution, that the board soon became inoperable.

Instead of resigning and going about some more productive sort of work the five board members and their successors for 17 years have been drawing their pay rather quietly and doing practically nothing for it.

Congress has appropriated an average of \$300,000 a year to continue the farce, which so far has absorbed \$5 million.

A President facing the problems of financing a war in Viet Nam, a war against poverty, a war against waste—

A President sponsoring the biggest budget the world ever has seen, and who is executive head of a government operating under what likely will be the biggest deficit piled up since World War II —

A President who urges the Congress to increase the income taxes of persons and corporations alike to meet the growing need of the national government—

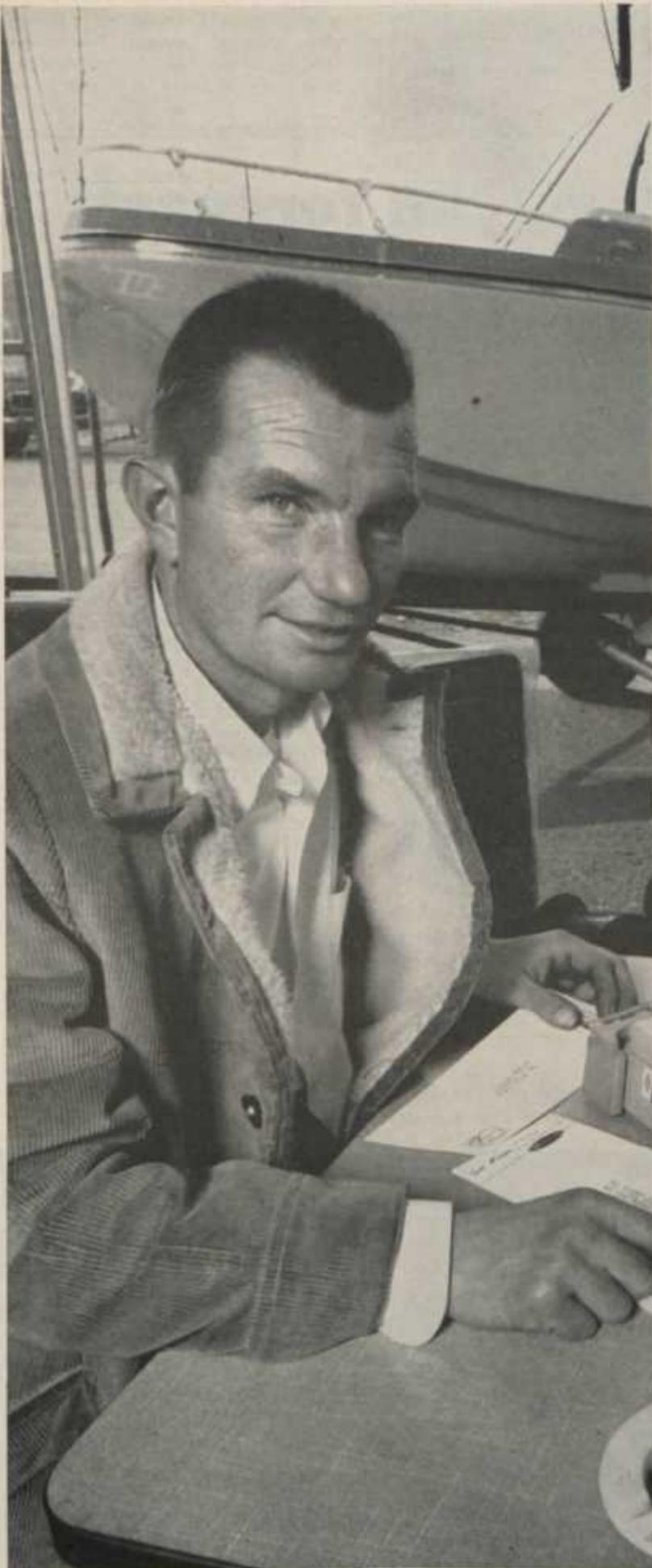
Such a President might have been expected to recommend the abolishment of the Subversive Activities Control Board.

But not LBJ.

He knew there was a vacancy on the board. And he wanted to find a place in your government for Simon F. McHugh Jr., a 29-year-old Washington real estate man who married one of the President's personal secretaries.

So Mr. McHugh has a \$26,000 a year government job. Instead of abolishing a 17-year-old mistake, Congressional leaders are seeking something for the board to do that will get around the Constitution.

As the foreign newsmen see, LBJ takes care of his own.



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Business leaders' '68 forecast:

WE'LL HAVE TO RUN FAST TO KEEP UP

Business next year will have to run harder just to keep up.

Some prices will go up, but a variety of costs will pinch profits unless sales expand substantially.

That's the main message from top business and financial executives all across the country who responded to the latest NATION'S BUSINESS Quarterly Outlook Survey.

There's no unanimity, but optimism is the majority opinion. Many think sales indeed will be strong enough to improve the economy generally through next year.

But ask about profits, and some of the optimism fades.

Why? The reasons are many. There's the prospect that federal income taxes will go up, coupled with the fact that many state and local levies already have leaped upward. Wages and benefits will continue their upward spiral. Some are built into current contracts; others will come from fresh negotiations as unions try to outdo each other. Social security payroll costs will be steeper. Accelerated payment of corporate income taxes will cut into liquidity.

While a majority of the executives thinks the economy generally will pick up in 1968, it worries about the dark shadows cast by Viet Nam, inflation, huge deficit spending and a persistent balance-of-payments minus. Add to these an enormous concern over civil disobedience and rioting.

George A. Wilson, president of Lone Star Steel Co., Dallas, expects the economy will level off in the remaining months of 1967 and show moderate improvement through

next year. But he worries about governmental budget deficits and wage inflation, and warns, "They'll get worse."

Robert Galvin, chairman of Motorola, Inc., thinks a tax increase will decelerate the advance. He ranks inflation as the biggest problem facing the nation on the economic front next year.

As Alfred Brittain III, Bankers Trust Co. president, sees it, "No early solution is in sight for increasing government spending, the balance-of-payments deficit and rising costs and prices." Still, he anticipates the economy will advance strongly in '68.

Montgomery Ward & Co. Chair-

man Robert E. Brooker believes increased housing starts and new family formations will provide much of the stimulus for a moderate expansion next year.

Agreeing on a moderate improvement next year, John R. Bunting Jr., executive vice president and economist, The First Pennsylvania Banking and Trust Co., adds: "The biggest problem involves fighting the war in Viet Nam while at the same time attempting to better economically and socially the plight of the non-white community."

This year and next

A majority of business and financial leaders responding to the Out-

Even with a tax increase, Alfred Brittain III, president of Bankers Trust Co., expects that the economy will advance strongly in 1968.



look Survey predict business generally will improve between now and the end of 1967. A larger majority expects improvement next year.

Nearly 70 per cent of the executives expect the economy will improve in the remaining months of '67. Twenty-five per cent predict a leveling off, while less than seven per cent see a decline.

For next year, nearly 85 per cent look for a business pickup. Of these, more than 75 per cent expect the improvement will be moderate and nearly nine per cent think it will be strong. Ten per cent expect there'll be a leveling off, and four per cent look for a decline. One per cent offers no opinion.

Many of those expecting a pickup in the remaining months agree with William B. Johnson, president of the Illinois Central Railroad Co., who says the inventory adjustment is just about complete.

Too, they recognize that accelerated defense spending is giving the economy a bigger push.

Durable goods makers and retailers are for the most part optimistic about the rest of '67. They foresee more spending, less saving. Arthur November, president of Art Shirt, Ltd., a maker of women's apparel, cites such spending incentives as Christmas, back-to-school outfitting and "a desire on the part of people to shut out the war scare feeling."

E. B. Hathaway, president of Firestone Tire & Rubber Co., expects an improvement because of a "rise in expenditures for plant and equipment, and increased spending



A tax increase will put a brake on an otherwise strong pickup, comments George A. Wilson, Lone Star Steel Co., president.

PHOTO: JACOB LOFFMAN, GEORGE KURFIN, JIM STEINBERG

for defense combined with higher-level consumer consumption."

But optimism for the economy between now and the end of the year is far from unanimous. Says the head of a nationwide retailing concern: Increased taxes—social security as well as a surcharge—can't help but cause consumers to hesitate in buying. This retailer asked not to be identified by name.

Daniel F. Gerber, chairman of Gerber Products Co., the baby food maker, thinks the uncertainty over war, riots and labor strikes will hold the economy in the remaining 1967 months to its present level.

The leveling off will extend through next year, as Ernest S. Marsh, chairman of the Santa Fe Railway System, sees it.

Optimism is stronger for 1968. And one of the biggest reasons is politics. Says W. H. Cochrane, Neptune Meter Co. chairman, "The administration will do everything possible to see that business is on the upswing in an election year."

Stimulants already applied will produce a strong advance in the first half of '68, predicts R. I. Nowell, vice president and economist for The Equitable Life Assurance Society of the United States. He thinks a tax increase will slow down the rate of increase in the second half and reduce inflationary pressures.

Julian S. Neal, president of Fidelity and Deposit Co. of Maryland, a bonding and insurance concern, looks for a strong advance because "inventory correction has been accomplished, consumers are beginning to spend more freely, spending for Viet Nam continues to increase and home building is long overdue for an upswing."

Advance not all "real"

But a number of executives contend that inflation will account for most of the gain in '68, and that in "real" terms the advance won't be any great shakes.

E. E. Urban, president of Western Iron & Foundry Co., Inc., Wichita, Kans., expects a falloff because of inflation, tax increases, strikes and high interest rates.

In addition to being asked about the economy generally, executives were questioned about their own sales, profits and prices. Here's how they shape up:

SALES. They'll pick up in the remaining months of this year and rise further next year.

About 63 per cent think they'll rise between now and the end of

Robert Galvin, Motorola, Inc., chairman, anticipates business will pick up moderately but adds that inflation is the big economic threat.



'67. Twenty-eight per cent believe they'll hold steady, and only four per cent expect a falloff; a little more than four per cent offer no opinion.

Optimism jumps for next year. Seventy-seven per cent expect an increase. Fourteen per cent see little change, seven per cent give no answer and less than two per cent predict a decline.

PROFITS. Here's where some attrition sets in. It's a continuation of a trend that has prevailed for some time, namely costs offsetting the benefits of increased sales.

For the rest of this year, nearly 45 per cent of the executives think profits will hold steady. Thirty-nine per cent expect an improvement while 14 per cent forecast a decline; two per cent give no answer.

Expectations perk up a bit for next year. Thirty five per cent see them holding steady, but 45 per cent see them advancing. Thirteen per cent expect a shrinkage, while seven per cent don't reply.

PRICES. Increases will be more widespread than in recent months. With costs increasing at the clip they have been, businessmen have little choice.

Between now and the end of the year, more than 36 per cent of the executives expect their prices will go up. Forty per cent think they'll hold steady, while another 15 per cent say some will go up, some down. Seven per cent expect a general price decline; one per cent offer no reply.

Next year, when business feels the full force of decisions made in Washington this year and of fatter labor contracts, prices almost certainly will advance on a broader front. Fifty-one per cent think they'll go up. Twenty-six per cent see them holding steady, while 17 per cent expect some up, some down. Less than two per cent foresee any general decline, and four per cent don't respond.

Impact of tax rise

If enacted, the proposed tax surcharge, its size and timing will affect the economy generally and business's sales and earnings particularly. To find out how, *NATION'S BUSINESS* asked the business leaders: "What effect do you expect a tax increase to have on the economy?"

Here are some of the answers:

It will shift borrowing from gov-

ernment to industry and act as a brake on companies' capital expenditure programs, says E. C. Baldwin, president of Sherwin-Williams Co.

Robert G. Dunlop, president of Sun Oil Co., thinks a tax "will result in downward pressure on prices and interest rates." But he cautions that "too steep a tax rise or one that is made retroactive may adversely affect private investment and employment."

As J. W. Keener, president of The B. F. Goodrich Co., sees it: "The surtax is bound to be a depressant, but it is necessary to have both a tax increase and a significant cut in spending." His hopes for meaningful spending cuts are dim, he admits. To him, the biggest problem we face on the economic front is government overspending, "which will only get worse as time goes on."

Because of a three-year capital spending program, profits of Koppers Co., Inc. will rise next year, comments President F. L. Byrom. But he thinks a tax increase will temporarily slow both consumer spending and expenditures for plant and equipment.

Anticipating a strong advancement next year, M. L. Haider, Standard Oil Co. (N.J.) chairman, believes the "main effects of the proposed tax increase will be to ease the burdens of the capital market in handling the projected high levels of government spending and to lessen the potentially excessive demand pressures on prices."

Walter E. Hoadley, senior vice president and chief economist of Bank of America, the world's largest, sees a surcharge slowing the economy's growth, "especially when accompanied by increased taxes at state and local government levels."

"Detrimental" is D. L. Kroehler's reply. Mr. Kroehler is chairman of the board of the furniture manufacturing company bearing his name.

A significant number of executives think a surtax will have little impact on countering inflation. To mean much, it must be combined with federal spending cuts, which they doubt will come.

Edwin L. Parker, president of A. G. Spalding & Bros., Inc., the sporting goods company, goes a step farther: "There's nothing the Congress can do which will increase the rate of inflation as much as to enact a tax increase now," he warns.

He believes, as do others, that increasing taxes merely transfers spending from the private to the public sector. And with an election coming up, the name of the game is going to be government spending.

Biggest problems

Businessmen rank inflation just behind the Viet Nam war when asked what they think is the biggest economic problem facing the nation. In fact the two can't be separated, they're interrelated. Another widely stated concern, government deficit spending, also fits in.

Maintaining price stability is the biggest problem, according to Sterling Tooker, president of Travelers Insurance Companies. "Even with imposition of the surtax, we cannot realistically expect much improvement in 1968 in the light of recent collective bargaining settlements in some key industries and the high level of government spending both for defense and nondefense," he adds.

To Eugene C. Zorn Jr., senior vice president and economist for Republic National Bank of Dallas, it's "the shift of inflationary forces from a creep to second gear. It won't be solved until we are willing to accept more of the personal disciplines war entails," he warns.

"Our social problems are also our major economic problems, namely urban renewal and the profitable employment of the untrained," replies Richard N. Allen, vice president and secretary of Central Soya Co., Inc., the big soybean processor and feed distributor.

Joseph W. Simpson Jr., chairman of the board of First Wisconsin National Bank of Milwaukee, agrees in part. His city has experienced rioting and he believes "the economics of poverty is the biggest problem. An equitable and efficient way must be found to help those who are poor to help themselves. Long-range solutions must be found. The problem will not be solved in 1968 and may appear to be worse if judged by external symptoms," he adds.

Robert S. Bell, chairman of the board of Packard-Bell Electronics Corp., cites inflation and the gold outflow, adding that both will probably "muddle along as per 1967."

There's a frustration implied in many answers, a frustration that stems from the immensity of government. Victor Day, president, Bear Manufacturing Co., a produc-



Daniel F. Gerber, chairman of Gerber Products Co., and E. C. Baldwin, president of Sherwin-Williams Co., expect improvement because stocks have been worked down—and because '68 is an election year.



Inflation and excessive federal spending are the big problems on the economic front for '68, agree President F. L. Byrom of Koppers Co., and Chairman Robert S. Bell of California's Packard-Bell Electronics Corp.



er of auto service equipment, makes it explicit: "We have such a monstrosity of a government it's almost impossible to fix the blame and take corrective action."

Corporate liquidity is a factor that could limit the size of the economy's expansion. This is the ratio of cash and near-cash assets to current liabilities. Some economists have cited a long-term deterioration of the ratio.

While nearly 50 per cent of the business leaders responding to the Outlook Survey say liquidity is no

immediate problem to their company, many add that other companies, through little fault of their own, are flirting with trouble. And 37 per cent say their own company's liquidity is declining. Nearly 14 per cent give no reply.

"Our cash position continues to be strong," says Armstrong Cork Co. President M. J. Warnock, "but we are concerned about the liquidity of small businesses. Many of our contractor and wholesaler customers will be affected rather severely by the scheduled acceleration

of income tax payments and the collection of withheld social security taxes."

W. F. Wheeler Jr., chairman and president of American Chain & Cable Co., Inc., says his company is affected, and he puts most of the blame on the accelerated time schedule for paying federal corporate income taxes.

Congress is considering a further speed-up now, as part of President Johnson's tax-raising package. The Chamber of Commerce of the United States and others warn that this will siphon off working capital. It will require businesses to keep large cash balances on hand to cover contingencies or be able to borrow on short notice. Smaller businesses, they point out, may not be able to do this.

Liquidity isn't a problem for Consolidated Cigar Corp., says Treasurer Louis M. Colen. But he thinks a liquidity squeeze and the borrowing it would entail "could lead to tighter money and higher interest rates."

Other executives point out that liquidity problems may well defer worthwhile capital investment.

Election year issues

Business leaders agree that a national election year carries great significance for the economy. You can be sure the administration will pull out all the stops to see that the economy doesn't stall.

NATION'S BUSINESS asked the leading businessmen what they think will be the biggest issues come next November.

Most respond: The war, racial strife and inflation.

E. J. McCabe Jr., chairman of Grolier, Inc., the publishing concern, narrows it down to "war and race riots."

To crime and Viet Nam, M. C. Wheeler, chairman of Commercial Solvents Corp., adds government spending, which he thinks will rise further in '68.

High taxes are an issue tossed in by many, including E. W. Carter, president of Broadway-Hale Stores, Inc.

Then there's the credibility gap that more than a few businessmen believe exists in Washington.

Asked to pinpoint the biggest problem facing the nation next year and to predict whether it will be solved or get worse, one industrialist answered, perhaps tongue in cheek, "LBJ—solved." **END**

CONGRESSMAN WILBUR MILLS ON:

A WAY OUT OF THE SPENDING CRISIS



"We can't keep piling new programs on top of old"

Federal spending has reached a crisis point.

Extraordinary demands for war in Viet Nam, and warfare in our city streets on top of the highest level of federal spending are creating one of the biggest budget deficits in history.

All Americans want to know whether taxes must be raised to meet these climbing costs or could demands be as well met through more efficient allocation of our tax dollars.

The respected Chairman of the House Ways and Means Committee, Wilbur D. Mills, is concerned enough over the spending crisis that he has introduced legislation to set up a bipartisan, independent Government Program Evaluation Commission to study old, new and proposed federal activities. The goal: To determine the value, priority and effectiveness of such programs in terms of cost. Maybe to save billions of dollars.

NATION'S BUSINESS interviewed Chairman Mills to bring you his candid thoughts on spending and taxes and what he thinks will happen.

Mr. Mills, today we seem to have a critical situation regarding public funds.

Yes. When one looks at the existing situation, it is quite evident that the budget for fiscal year 1968 on the expenditure side would far exceed the revenues that presently can be produced even without contingencies which might develop during the course of the fiscal year.

My own concern has been for some time that every time a new President has been elected, a new program is enacted and added on top of the programs of other Presidents without eliminating anything that may justifiably be subject to elimination.

That is why I have recommended the establishment of a Commission of outside individuals to study this problem.

It isn't that a new program necessarily should be cut or that it is bad. Many times we may feel that way, but I don't think it is necessarily so.

It may be that the programs that have been on the statute books for many years could either be cut or

eliminated. I don't know, but I will not be satisfied until I get the thinking of people outside to have them evaluate this very question.

Then you see that by setting up a separate Commission it would be somewhat independent and perhaps more detached in its viewpoint and more objective than the President's Budget Bureau or the Congressional appropriations committees. Is that what you feel is the main advantage of having an outside body?

Yes. It would have many of the characteristics of the old Hoover Commission which was largely aimed at the efficiency of administration and management of the programs, whereas this would look at the substance of the programs themselves. If we could develop some criteria for evaluating programs, it would be helpful if such a Commission could do that, if nothing more.

I would hope that such a Commission could identify programs that have been in existence for a long time, have served their purpose and see if we are still getting the dollar-for-dollar value out of them that apparently we got in the beginning, considering the changes in economic conditions, social conditions since these programs were enacted.

Do they fit in this type of economy? Do they serve this type of economy? Do they produce for us the benefits they should in return for the dollars invested?

Also, some degree of relationship should be established between programs. How do they fit together and what duplication exists with respect to programs? Do we actually have programs that work at cross-purposes with one another?

These are matters that one could say Congress should be able to do, to make these determinations and evaluations. But as you know, Congress has far too little time to review and evaluate what is already done.

It has always been called upon to do something more.

Would one of the objectives of the Commission be to determine whether the private sector should be taking a larger role in this?

Certainly, and whether a state government should carry a larger share than they do of certain programs, whether or not perhaps local governments have or should have the responsibility, or that the federal government itself should do more to be of assistance.

I will not be satisfied until we find out whether it is possible for us

to say that, for example, a particular program produces 90 cents of value for every dollar invested in it, subtracting, of course, the administrative costs, while another program may be worth 150 cents for every dollar we spend on it.

There are a lot of people, of course, who say that one of the great needs of the present day and in the future is in education, an intensified effort to upgrade the quality of our education at all levels.

I am concerned by the way things have proceeded up to this point, of merely stacking on top of the existing programs those programs that are deemed necessary to be enacted.

I think you remember that the Congress itself enacted only about 50 per cent of the recommendations of the old Hoover Commission. However, it was said that the process of enacting those may well have produced in government savings of some three or four millions of dollars. If we could spend a million dollars for this purpose and save five million dollars in the long run, I think it would be well worth the effort.

In your mail from your constituents, and in talking to other members of Congress, do you think there is more concern about the level of federal spending, or about the priorities of spending?

It's the totals, I think, that are more disturbing, that are objected to, as I interpret the feeling of the American people.

There is a very basic concern on my part that we are going too fast with too much on the expenditure side for our present system of taxation to generate revenue fast enough to avoid excessively large deficits.

When I first came to Congress, the total cost of government was less than is the interest on the public debt today.

What would be the relationship between this proposed Commission and federal tax policy?

Today tax policy is like the tail of a dog. It is being controlled almost completely by expenditure policy. This is one of the basic concerns to me, to try to find some effective way to bring about a change in the rate of increase in expenditures. I would think that if any good came from it, you would have a greater part to be played by tax policy than can be played by an over-all fiscal policy, where the

tax policy is of secondary concern in relation to expenditure policy.

Would the role of tax policy in trying to speed up or slow down the economy be changed?

The recommendation of such a Commission, as I envision the operation, would be directed toward expenditures. The whole point would be that they should develop ideas that the Congress might find acceptable to reduce the pressures on the expenditure side, to the point where we might have a degree of freedom of action on the tax policy side that we do not now have. Thus, perhaps we could get back to the role we undertook when we enacted the tax reduction bill that passed the House in 1963 and the Senate early in 1964.

Do you mean to stimulate the private sector?

To say the least, the federal government has departed from that path. I'm trying to get us back on it.

Is it still your conviction, Mr. Mills, that over the long run periodic tax reductions are the best way to assure economic growth?

Absolutely, absolutely. I think we have clearly demonstrated that, if given the opportunity, the private sector will respond and be in a better position itself to resolve many problems that otherwise someone will insist should be resolved by the government.

You talked about the public concern over expenditures, and yet Congress is often criticized when it doesn't vote for money as a cure-all for all problems.

That's always been the case. It makes no difference what the Congress does, it doesn't seem possible that it can win in these controversies that arise, over what should be done next.

Some people say a particular program is of the greatest importance, whereas others not affected by it say that it is of no importance whatsoever. We will have those controversies between members of a Congress and the public.

But people outside of government, who might serve on such a Commission, free from biases with respect to existing programs that many of us in Congress might have, would perhaps be more independent in their judgments and certainly freer than those who might have fixed positions. **END**



BUSINESS: A LOOK AHEAD

Slow death for borers

(Agriculture)

No noise is good noise

(Manufacturing)

Pop goes the poster

(Marketing)

AGRICULTURE

Researchers are enlisting the aid of bacteria—and tiny time capsules—to rid crops like alfalfa, corn and cotton of insect pests.

Scientists at U. S. Agricultural Research Service's laboratory at Ankeny, Iowa, have been experimenting with pest-killers in small capsules that release their contents gradually.

One experiment involves a bacteria not harmful to man, animals or crops, that attacks corn borers, other destructive insects. (It killed 90 per cent of the borers infesting a test plot within three days.)

Another phase of the experimental program involves testing of various types of capsules containing such insecticides as malathion and diazinon, and with viruses for use against both foliage and soil insects.

Capsules can be concentrated in the soil or in parts of plants, as the point where corn leaves join the stalk, thus avoiding problems of chemical residue on edible portions. And they won't wash off in rain like conventional sprays.

CONSTRUCTION

Increasing demands for privacy

are reflected by homeowners settling in spreading new suburbs.

This is observation of Anchor fence people. They find main concern of homeowner is no longer: "This is my property line and this means keep out."

Greater use of outdoors for family relaxation and for entertaining seems to reflect new trend in thinking: "This is my ground and I want to utilize it as part of my personal family living."

Traditional chain-link fencing is still Anchor's biggest seller. But spokesman reports that majority of inquiries generated by ads in home and garden magazines reflect interest in privacy and eye appeal.

Same concerns are noted by real estate developers who find prospective buyers' added interest in total environment of neighborhoods.

CREDIT & FINANCE

What will happen to interest rates when—and if—Congress raises taxes?

Some observers of Congress and Administration figure any tax increase will come too late to influence government's schedule of borrowings and hence its demands on the money market. But pressure will be on short-

term rather than long-term borrowing.

Increased revenues later next year would reduce government's need to borrow, thus easing pressure on interest rates and supply of credit available. This might induce businessmen and others to postpone borrowing if their only reason for hitting the money market now is in anticipation of higher interest rates later.

Thus indirect rather than direct effect of tax boost may be some short-term easing of credit.

FOREIGN TRADE

Exports of outboard motors are churning ahead.

Outboard Marine Corp., manufacturer of Evinrude and Johnson engines, has seen overseas sales jump from \$8 million in 1957 to \$35 million last year. (These figures include other product lines and cover production in overseas facilities, but represent a substantial amount of outboard sales.)

For outboards produced here for export, government figures show sales of 94,104 units valued at \$23.7 million last year, a big percentage jump over the 69,662 units valued at \$17.8 million exported year before.

Outboard Marine Corp. official notes major use of outboards overseas is commercial. Better than 90 per cent of domestic production is for recreation.

He hopes eventual increases in standards of living abroad will reverse the proportion, creating a big pleasure market.

MANUFACTURING

War in Viet Nam spurs development of equipment and machinery that could help meet demands for quieter operations on home front.

General Motors has quiet generators that meet requirements for use in field situations where excessive noise would alert enemy to location of U. S. positions.

More silent military helicopter under development, if available for ci-



New popularity of posters as art form gives advertisers extra exposure for ads with hang-up appeal (Marketing).

vilian use, would meet problem encountered by operators of shuttle service in New York City.

Landings on top of Pan Am building require high maneuverability, at expense of more noise. Result is complaints from people in "echo chamber" formed by city's tall buildings.

Solution of another Viet Nam problem represents breakthrough by U. S. industry. Combat boots used to deteriorate rapidly with rugged use, frequent immersion in rice paddies. Now leather boots are treated with Dow Corning silicones, and sole stitching replaced with moulded and vulcanized unit.

MARKETING

Boom in poster art as decorator item gives advertisers extra exposure—provided their ads are arty enough.

Darien House, Inc., a New York book publisher, has branched into reproducing and selling genuine ad posters through interior decorators, designers, home furnishing outlets. Biggest item so far is rye bread ad series: "You Don't Have To Be Jewish To Love Levy's" with 100,000 copies sold.

Jack Rennert of Darien House says

one marketing vice president estimates he got \$50,000 worth of free exposure because his company's poster was sold as art.

Transit advertisers—most posters are in subways—see boom as reflection of upgrading in poster art. Mr. Rennert feels trend should encourage advertisers to improve poster quality. (He rejects most submissions from most advertising agencies and companies as maybe good ads but lousy art.)

With eye specifically on resale for decorator market, Darien House actually helped design poster publicizing festival of films of Harry Langdon, silent film comic, for Gallery of Modern Art.

Mr. Rennert says ads worth selling on artistic merits are too scarce so he's importing several selections.

NATURAL RESOURCES

Oil companies foresee big increases in costs under air pollution laws lowering permissible sulphur content in fuels.

Spokesmen for industry groups in New York and New Jersey argued before regulatory bodies recently for reasonable lead time for changes in refining processes, and assurance

that rules of the game won't be switched once in effect.

"The capital expenditure is really going to be fantastic," says American Petroleum Institute spokesman.

Average content in low-sulphur residual fuel is now 2.6 per cent. Reduction to one per cent would cost 72 cents per barrel; a level of 0.5 per cent would cost 97 cents per barrel.

Producers for New York markets have been faced with staggering confusion resulting from conflicting proposals for regulations requiring different levels, and accompanying changes in deadlines to be met.

TRANSPORTATION

Soaring prices of urban and suburban land keep pressure on costs of new highway construction.

Special study by Bureau of Public Roads for Congress shows how money has been saved—or could have been—by buying right-of-way in advance of need.

Over a 12-year period, California saved some \$300 million by spending \$66 million for land that would have cost an estimated \$360 million with development.

Connecticut bought 5.9 acres of vacant land in West Hartford for \$33,500 in 1949; a parcel of 1.4 acres directly across the street cost \$135,000 in 1965.

Road officials in Hawaii had a chance to buy land in 1952 for a highway project at 16 cents a square foot; the same land today is valued at \$2 a square foot, an increase of more than \$67,000 for the entire parcel.

Nationwide pattern prompts move in Congress to allow states to borrow from interstate highway trust fund for advance right-of-way purchase.

Some states have own program for this purpose. In one Maryland county, officials ponder idea of county-level program as costs head through the roof. There, acquisition of land for beltway, originally estimated at \$800,000, was stopped after more than \$2 million was spent and estimates rose to \$8 million.



PHOTO: TOM CLARK

WHERE POVERTY PROGRAM IS DOING POORLY

The man who helped steer it through Congress now calls for some drastic changes in the law

Phillip M. Landrum, a thoughtful, veteran Georgia Congressman who played a leading role in passing anti-poverty legislation, now wants broad changes in the law.

"There is a passionate need for such a program," he says. "But you also might say my baby hasn't grown up to suit me."

He was the floor manager of the poverty legislation in the House during its passage three years ago.

Recently in an interview in his office, Rep. Landrum told NATION'S BUSINESS:

- Where the war on poverty has misfired.

- How it should be revamped.
- Why it never should have been billed as a poverty act.
- Why it needs a shake-up of those who lead it to better serve the poor.

You led the effort to establish the federal anti-poverty program—the Office of Economic Opportunity. But now you want changes. Why?

After some close observance I have discovered that there ought to be some sharp revisions in the law. Also some rather dramatic shake-ups in the personnel, or at least the personnel responsible for shaping policy.

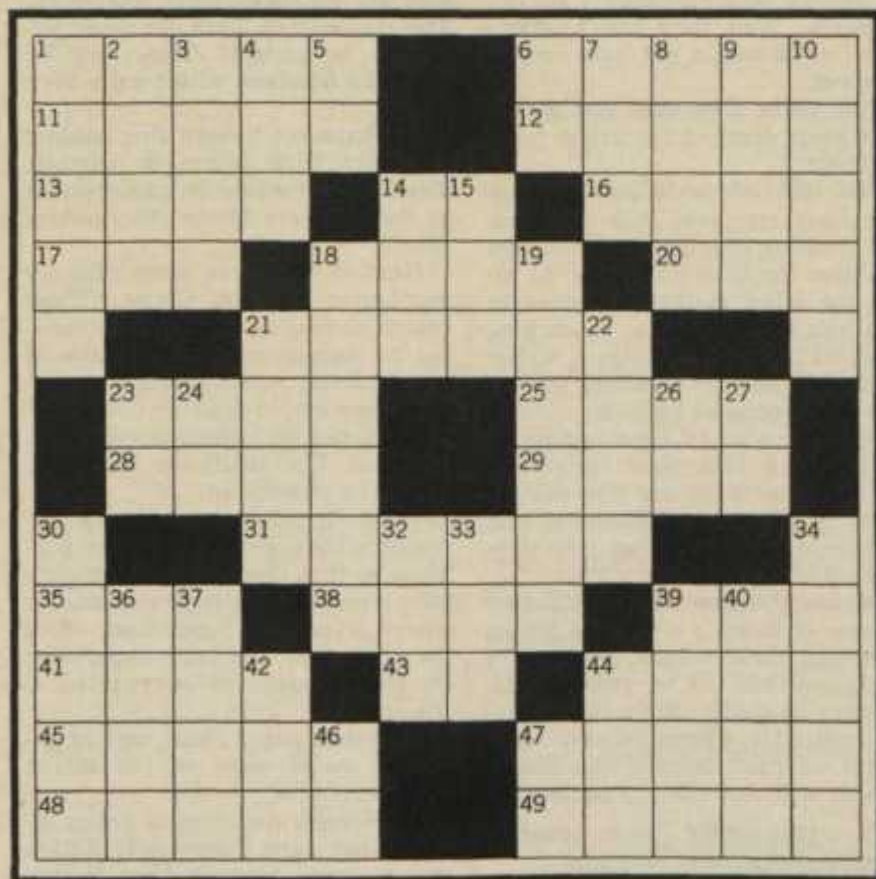
I feel that we are going to have to tie the program more closely to elected officials.

I do not think that it is absolutely essential to eliminate the present Community Action program.

But I feel that we must find some way to have elected officials participate in order to give the public an avenue to get at the things which are wrong.

When using public money we have to be very careful not to disburse it into the hands of those who, with no desire to defraud but having their own ideas and no su-

Kill some time while waiting in line at No.1. Compliments of Avis.



Or rent a shiny new Plymouth from Avis. (The line at our counter is shorter.)

ACROSS

1. Rabbit or knockout
6. Florida city
11. Hollywood statue
12. Command
13. Man's first name, Ponce's last name
14. The spirit of_____.
16. Kiss Me_____.
17. Printed persuaders
18. Couples

20. Non-women
21. Railway stations
23. Sherlock Holmes' Baker St. address
25. Girl's name
28. How many Arabian nights?
29. Metal
31. Bends over
35. A limb
38. Hurt
39. Female deer

41. To judge
43. LXX
44. The Jones and the Sawyer boy
45. Mr. Stevenson
47. A flat cap for men or women
48. Cowboy circus
49. Baked, lima, or jelly_____.

DOWN

1. White bear
2. Second-hand
3. Sergeants
4. Tin container
5. Sixty minutes (Abbr.)
6. U. S. State (Abbr.)
7. Annoy
8. First man
9. To allot
10. Girl's name
14. Soft drink
15. Into the valley of death rode the_____.
18. Entries of debt
19. Privates have one
21. God (Spanish)
22. Gentlemen
23. Voting age
24. XX
26. Preposition
27. In grammar, an article
30. Electronic eye
32. Killer's license number
33. Gold (Spanish)
34. Lies down
36. Do over
37. Canasta term
39. The dumb girl
40. A portent
42. Girl's name
44. Golf term
46. Downing St. address
47. Ammunition for toy gun

pervision, go off in a direction that is not good for everybody.

Some people have objected to turning over more authority to elected city officials, charging that they aren't quite capable of handling this new theory of welfare.

It is true that any time you get a public official with public money promoting something, he does what makes the best record for himself. I recognize that if we give a strong hand to elected officials in this program, we run that risk.

Nevertheless, I think that would be by far the lesser of the evils.

Take a city like Chicago. In that city, as many as three or more different Community Action teams are going off in different directions.

Now the mayor of that city is probably as knowledgeable as anyone in Chicago about the city's problems. He might be interested in promoting his programs and his own good record as an administrator. But I think he knows more about what the over-all needs of the city of Chicago are than one prong working in one direction, and another in a different direction, and still another in a third direction.

Also, and I wish it were not true, there are instances where Community Action groups have received financial assistance from the Office of Economic Opportunity and have gone off in directions that are just simply not good for our form of government.

Our problem is to meet the needs of poor people by developing education and training to give them a skill that will let them go into today's labor market and be a contributing citizen, rather than a taking citizen. Giving them an opportunity to earn for themselves.

Do you feel that there should be more emphasis on vocational and skill training, for instance, rather than Job Corps camps?

Well, the Job Corps is an immediate necessity.

But it has been unnecessarily expensive, I think. First, OEO organized it on the basis of being permanent. Second, trainees are organized without regard to cost. For example, they recruit somebody from Wilmington, N. C., and assign him to a camp in Portland, Ore. They send him there on a first-class airplane ticket; and maybe in two

weeks they find him dissatisfied and send him back and pay him all the benefits.

It was unfortunate we let this program get billed as a poverty law. It should have been advertised as what it is: An education and training law.

It gave the people an opportunity to say, it's just a handout program. And to my dismay and disgust, in some instances there have been things that looked like a handout—and probably were.

Take the Job Corps: Provisions in that law let them recruit, and then send the recruit to camp. The government pays the recruit a basic allowance, or salary, for going into this program. Then they also pay his parents, who supposedly are dependents. Well, they aren't dependents, or he would not have been a prospect.

That extra allowance just makes them more comfortable in the rocking chair.

The real job is to get this boy they have recruited into a temporary training program that will give him the fundamental skills to go into the labor market today; or to give him the necessary, fundamental skills to go on and take a higher level of vocational training, and go on out and support himself.

Now the idea of contributing to his family is ridiculous, because it just mounts those on the welfare rolls. The Health, Education and Welfare Department can take care of them.

In some instances the U. S. Forest Service is doing a very fine job in managing these camps; both as to discipline, and as to giving some training—and the public is receiving, indirectly, a great benefit.

But we can't operate the Forest Service with Job Corps trainees.

Isn't OEO's Head Start program something everybody supports?

Yes. But the Head Start program, in my judgment, could very well have been operated under the authorizations that the Health, Education and Welfare Department has had all the time.

Well, what has the OEO done?

It has convinced the people and the Welfare Department that it can be done; and it ought to be done. But we do have an overlap there.

Do you think the Job Corps should be eliminated?

Well, I think the Job Corps must be looked upon as temporary, must be gradually phased out. But we have got to do something to reach the poorest and least-skilled people of this country. They have, under our Constitution, the full right to participate in government by the election process.

So let's give them the quality and knowledge necessary to realize the responsibility.

What specific changes would you like to see to make this the kind of program that you envisioned?

First, this agency has no business making loans. It appeared necessary in some instances, to get the program started. But the loans that are authorized are soft loans. The majority of them are never going to be repaid. They can be labeled a handout, which truly they are.

We have got to turn this lending authority back where it belongs: The Small Business Administration or the Farmers Home Administration.

Next, I think we must sharply reorganize the Job Corps. These camps should be organized according to regions and on the basis of instructional activity and not just take recruits in and give them a haircut and turn them out without any skill. Eventually the Job Corps should be phased out.

Then, by all means, we must reorganize the Community Action program so that elected public officials have a voice. Let's have that money where it can be supervised. And the actions of this team supervised by people who are answerable to the public.

And that way I think we are going to avoid some of the recent serious charges.

In Newark the chief of police alleged that some Community Action people were participating in the tragic disorders in his city.

Elsewhere we have allegations that a man and his wife on one of these Community Action teams have been closely connected with the Communist Party, and are now associated with an organization somewhat alien to our principles.

And then even more ridiculous, in my judgment, is the disclosure from a state out in the West that one of these Community Action teams, through the Office of Economic Opportunity, authorized the

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purchase of some telescopic sights for high-powered rifles and gave the excuse that they were going to be used for microscopes.

I don't know how true any of these charges are. But there are too many of them.

I am not afraid for Washington to participate. We are doing pretty well at Washington. But I don't like everything that's going on.

With the deficit running as it is today, I think the people are going to rebel against a continuation of too many welfare programs, particularly since we have high employment and low unemployment in the country.

I don't think there is a single domestic program, if carried out as it was originally intended, that would not be accepted by the great majority of the American people. But when they see waste and extravagance, such as we have mentioned here about the so-called poverty program, it gives them sort of a dark-brown taste every morning to get up and think how much taxes they are paying.

I want to make clear that I don't charge Mr. Shriver [Sargent Shriver, director, Office of Economic Opportunity] personally with anything wrong. I think he is most intelligent, a man of boundless energy and undoubted sincerity of purpose.

But some people in positions of authority are responsible for things that just shouldn't have happened. Their attitude is entirely different from one that I think is intended in the anti-poverty law.

While Mr. Shriver may be trying to be loyal to that group, I think it is about time he realizes that his loyalty is not merited in some instances. I think his agency has got to be cleaned out thoroughly.

When bad judgments—even alleged bad judgments—and mismanagement are occurring, over the country, there is only one place for the final responsibility to rest. That's at the top.

Some of these folks in OEO have the attitude that this poverty program is to sort of spread the wealth, another welfare program. That is

not the purpose of it. It is an education and training program.

I am not going to be opposed to moving some of the authority into other agencies if some of these things aren't done. I did, at some political risk, take a good, long step and helped many dedicated people to try to bring this agency to reality, and I don't want to be accused of being the father of an illegitimate child.

Any father takes great pride in a child, and sees great potential in him. As the child does less than the father expected, he is going to call him in and counsel with him.

If the child continues to make the same mistakes over and over and over again, the father is going to call him in and say, "Now look here, Bud, here is what you ought to do. If you don't, you are not going to eat any more bread off my table." Now if the Office of Economic Opportunity doesn't get busy and do the job as it ought to be done, I can't see that they ought to get much more bread from the taxpayers. **END**

CRITICISM FROM THE EXPERTS

Criticism of the federal poverty program comes increasingly from experts who have studied the program in depth and from disillusioned longtime backers. Samples:

"The Job Corps is one institution with the potential of helping the poor youth bridge the gap between aspirations and reality. The harsh fact is that it helped only a minority of those who sought its aid, despite the relatively ample resources that were allocated to it. The future of the Job Corps as a viable institution therefore remains in doubt."—*Sar Levitan, consultant to Senate subcommittee studying poverty program and economics professor, George Washington University.*

"From the standpoint of encouraging dropouts to return to school, NYC (Neighborhood Youth Corps) admits that summer programs have

not been very effective. In fact, not more than two per cent of a sample of summer enrollees were dropouts, and less than one fourth of these return to school. . . . Counseling and remedial education were largely ineffectual or nonexistent."—*Dr. Harold L. Sheppard, staff consultant to Senate subcommittee studying poverty program.*

"The Office of Economic Opportunity contends that the BLAC (OEO's Business Leadership Advisory Council) lends a helpful measure of businesslike guidance to OEO's operations, but it can cite few examples of this. In general the BLAC appears to share the fate of most citizen advisory committees to government. At one meeting in June 1966, only 17 members were present; at the May 1967 meeting, 20 attended. And almost every meeting results in a press release congrat-

ulating OEO."—*Stephen Kurzman, staff consultant, Senate subcommittee studying poverty program.*

"In directly sponsoring a number of social services, educational and remedial programs, and in restricting the Community Action groups almost exclusively to uniform programs on the local level, the OEO has fallen into the trap of seeking the elimination of poverty primarily through a cluster of services and programs that impute to the poor—either directly or indirectly—the key blame for their poverty.

"The major immediate beneficiaries of these programs have been nonpoor persons who have been afforded the opportunity of executive, technical and professional positions in the program."—*Kenneth E. Marshall, former OEO Community Action executive director, Paterson, N.J.*

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One of a series of messages depicting another growing service of The Greyhound Corporation.

WHO RIOTS AND WHY

BY ROBERT N. McMURRY

An expert explains the psychology
that causes those civil disorders

Because most recent riots have occurred in deprived areas, many of which are Negro ghettos, it is easy to assume that they are a direct consequence of the deprivation of those participating and that the key to their prevention lies in comprehensive welfare work, manifesting itself through massive relief and rehabilitation programs—mostly government sponsored.

These assumptions are questionable and these remedies may prove ineffective. Certainly other actions should have priority. These facts should be examined:

First, violence, rioting and attendant looting are in no sense confined to deprived areas. Outbreaks have occurred in such slumless centers as Nyack, N.Y.; Fort Lauderdale and Lake Geneva, Fla.

Second, while most of the participants are members of minority or disenfranchised groups, some of the rioters and looters are white, in instances from well-to-do families.

Third, while members of the white race are usually the avowed targets of these outbreaks, members of the deprived or minority groups are often the greatest sufferers.

Finally, large segments of the disenfranchised populations, specif-

ically the Negro, are strongly opposed to such "direct action" because it is inconsistent with their standards and values.

People who riot

This raises the question: What kind of men and women actually participate in these riots? First, the majority of those engaging in violence of this nature are young people ranging in age from 15 to 25. A high proportion are not indigenous to the areas in which the riots take place. Far from all are from the "deprived" strata of the population.

From a psychological point of view, recent riots have tended to be marked by behavior which can only be described as berserk. At the height of these disorders many of those taking part have clearly cast aside all civilized restraints. In their activities they give free expression to the most primitive, atavistic impulses.

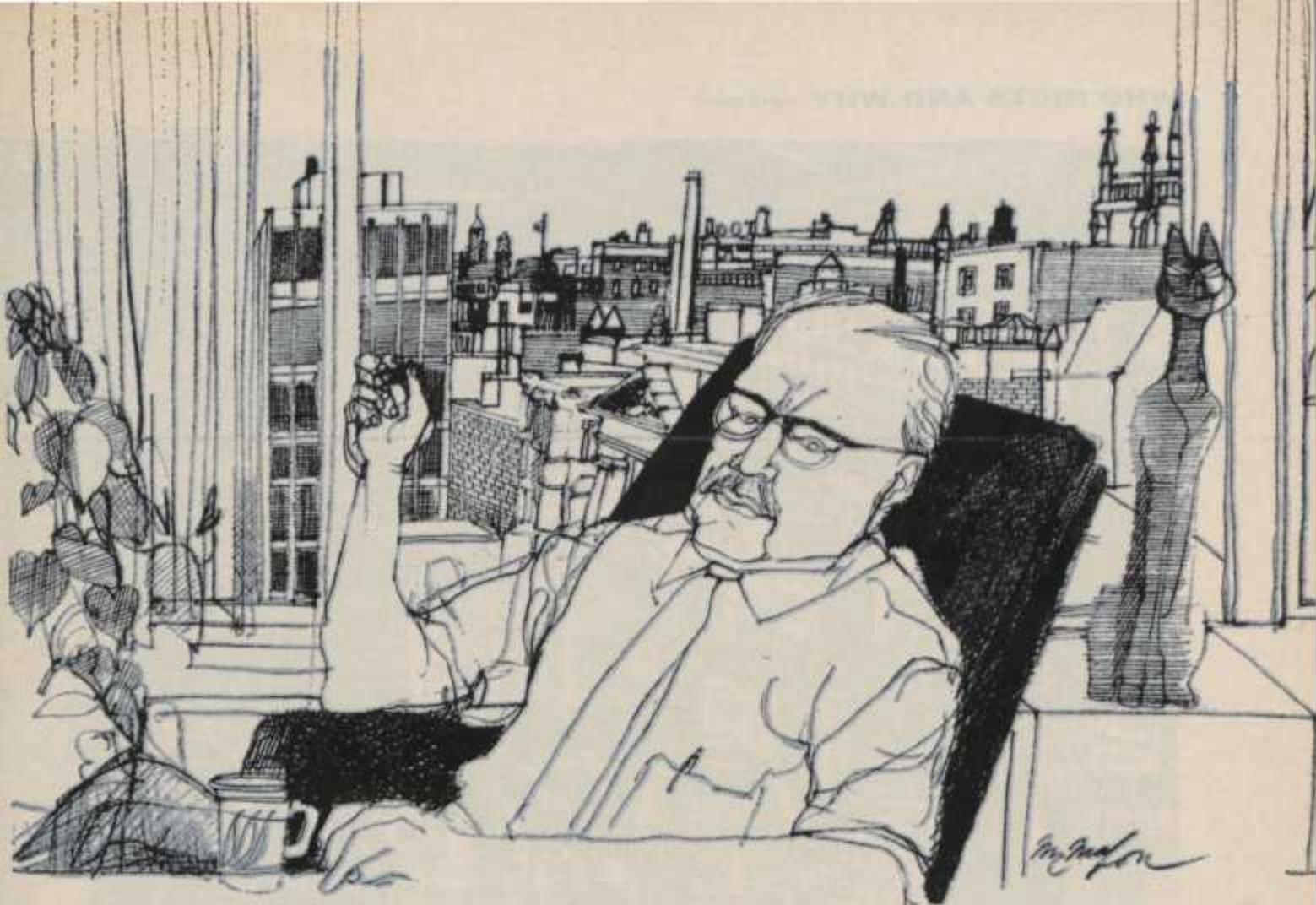
Why do certain individuals succumb to this "blood lust?" To understand this breakdown of social restraints, it becomes necessary to analyze the mechanisms within each human being which normally serve to inhibit these impulses. The key

to the forces within the individual which serve to police his behavior is to be found in the character of his values and what psychologists refer to as the "strength of his ego controls," in other words his capacity to maintain a satisfactory regard for reality and consequences.

The primary inhibiting influences in every human are his values. These are the moral and ethical standards he has acquired in the course of his life which constitute his conscience.

These are not merely a passive collation of pious admonitions or rules. The conscience has a dynamism of its own. It enforces its restrictions by creating in the individual intolerable feelings of guilt and anxiety whenever he transgresses his conscience's dictates. It is through this psychological mechanism which reflects his values that

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he is restrained from antisocial activities.

It is the person's values to a much greater extent than his intelligence and education that determines what he will do in any given situation. This is an area in which there are marked differences among people. Thus persons with very strict consciences are ordinarily rigid, withdrawn and inhibited. Others, with more permissive consciences, can engage in more activities without feeling guilty or anxious. Still others, for example, members of the Mafia, have consciences which not only condone criminal behavior, but they often are compulsively driven to engage in behavior of this character.

Problem members of society

Unfortunately, a small segment of the population has deformed or malfunctioning consciences which are the results either of faulty upbringing or life in environments whose mores are essentially antisocial.

Of these, first, are those with weak egos, i.e., they lack self-control; they do whatever they wish to without thought of consequences.

The second category is composed

of those with warped, perverted, or psychopathic personalities—the people who hate.

Usually neither of these two groups is employable or economically or socially productive. In both of these groups are found criminals and "problem" members of society.

Those with weak egos include many of the self-indulgent, irresponsible adolescents, school dropouts, petty thieves.

Among the psychopathic personalities are many of the chronic failures, malcontents and drifters. For the most part, these are persons who are without hope, who are bitter about their own lives, who hate authority and who have an unlimited capacity for envy of their more fortunate fellows.

Every metropolis and many smaller communities every place in the world have their quota of these people of various races. They are the lost souls of civilization.

It is predominately from these two groups—the irresponsible and the psychopathic personalities—that the majority of the rioters, the vandals, the looters, the arsonists and the potential killers come.

There are undisciplined youth and psychopathic personalities at

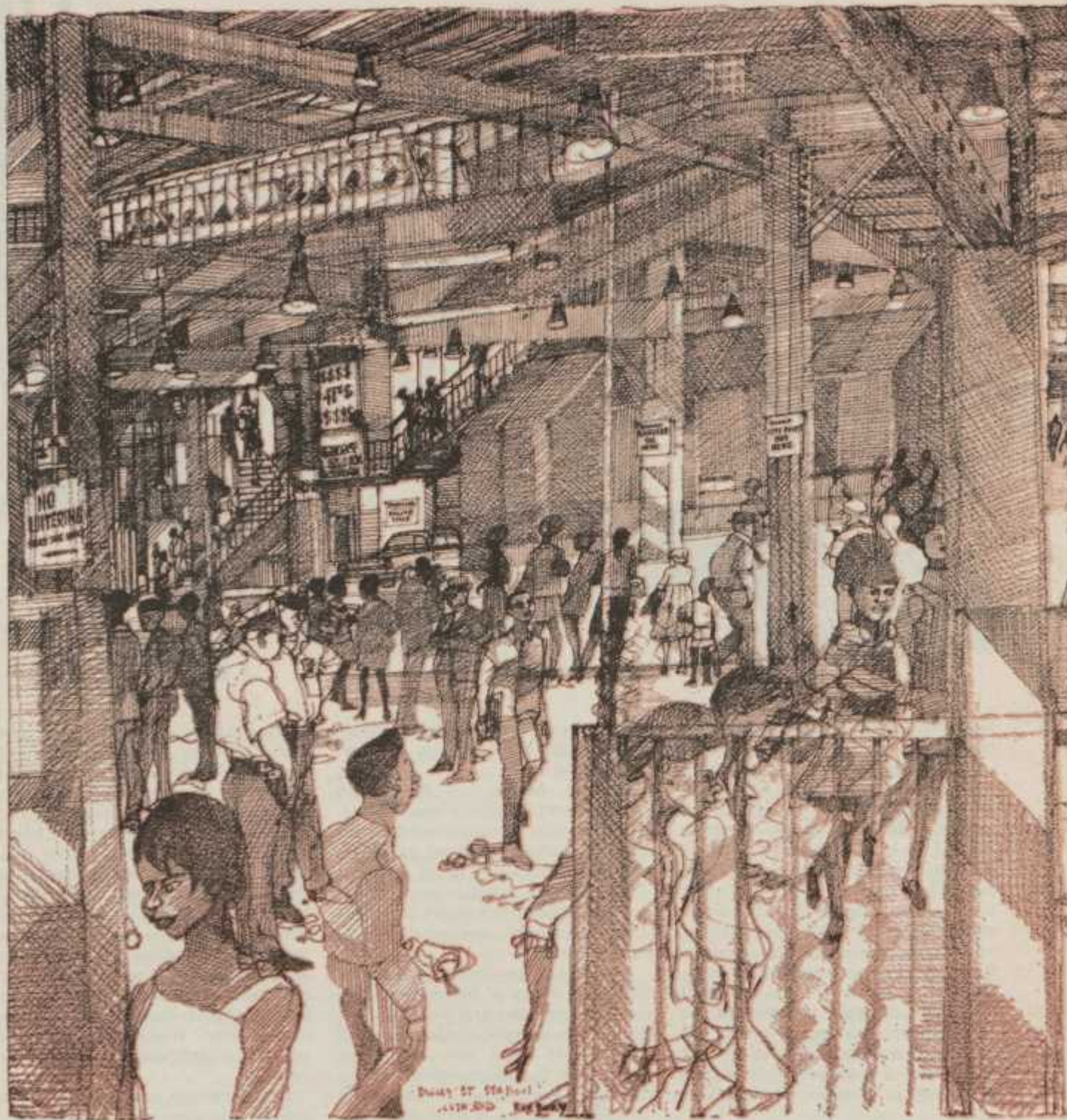
every economic level of society and in every ethnic group both here and abroad. Members of this stratum of society have been present since the earliest days of civilization.

If this is true, why have members of this group in recent years suddenly broken out into the prevailing rash of violence here in America? Probably because there has been a gradual shift in the prevailing mores and cultural values of our society in the direction of an increasing acceptance and condonement of violence and even lawlessness in American society. Rioting, sedition and anarchy in the past were considered criminal.

Society either took a strong stand against criminals and troublemakers personally by jailing them, or considering them as harmless eccentrics, and encouraged them to preach their doctrines to small crowds from soap boxes in "bug house squares."

Today society's attitudes have softened. Behavioral scientists, taking their leads from John Dewey and a misinterpretation of Freud, have advocated a loosening of authority and the general adoption of a more permissive attitude.

This has manifested itself in the



home (do not punish the child; it might frustrate him), in the school (where progressive education has become the mode), on the job (where the so-called Theory Y of democratic management is strongly advocated), or in the courts (where increasing consideration is being given to the "rights" of the accused).

In short, to many persons rioting has now become respectable. Society increasingly is condoning rioting as a justified expression of a way of life. This in turn rationalizes violence.

Advocates of violence, demagogues such as Rap Brown and Stokely Carmichael are now given wide publicity. Their points of

view are carried in the public press and on television. Their positions are widely endorsed by some clergymen. In consequence, owing to this shift in the mores of society, the consciences of many no longer contain restrictions against rioting, violence, arson and even murder. Hence, the individuals feel no guilt.

Admittedly, conditions are bad



appear to lie in the fact that rioting can now be indulged in with relative impunity. Police now are often restricted in the measures they may employ to check riots.

Actually, the chief hazard for many of the active participants is the danger of being shot or hurt in the riot itself. This, however, is no deterrent. No one ever expects that he personally will be injured. Also because the majority of the rioters are immature, irresponsible or psychopathic, they are incapable of being aware of the dangers. Finally, only a small proportion of those participating is caught and punished.

These conditions all point to a prospective increase in the frequency and violence of rioting which may be anticipated.

Public aid programs, no matter how desirable, do not get at the immediate causes of these outbreaks.

On the assumption that it is primarily members of the two special groups, the irresponsible delinquents and the psychopathic personalities, who engage in these acts of violence, immediate remedial steps must be designed to identify, contain and restrain the members of these two groups.

In coping with persons of this nature, it must be recognized that when inflamed they revert to a state in which they are enraged animals, devoid of civilized restraint and capacity for self-control. Under mob conditions, they are immune to appeals to reason, to logic, or to their better natures. Actually, their consciences are so constituted that literally they have no better natures. Their value systems, as embodied in their consciences, have no place for kindness, consideration or regard for others.

To them a riot is a saturnalia, comparable to the Russian rape of

Berlin, in the course of which the rioters become mad dogs, thinking only of destroying, burning, looting and shooting.

Only brute force will contain such persons.

Stop preaching violence

From a prophylactic point of view it is obvious that public aid and similar programs must be undertaken to ameliorate intolerable living and employment conditions. More immediately, however, demagogues must be deglamorized. They must be denied a forum from which to preach violence and sedition.

Those who openly advocate anarchy, sedition and the take-over of powers by violence must be arrested, tried and, if found guilty, jailed or fined. When trouble threatens, potential rioters, those known to have engaged in rioting and violence previously, must be rounded up and placed in "protective custody" until the emergency is past.

On an over-all basis the existence of these strata of the incorrigibly delinquent and those with psychopathic personalities, must be recognized and faced. It must be understood that they have deformed personalities and are social and economic misfits.

Only forceable restraints and the creation of a sincere conviction in them that punishment for transgressions will be quick, certain and intolerably painful will have any deterrent effect.

This will not be easy and may entail some infringements of these persons' civil rights. No more so, however, than is the case of those who must be hospitalized because they are mentally ill. The alternative, unfortunately, is the inevitability of even more and worse riots. Society must make its choice between these two courses. **END**

for many members of minority groups, especially Negroes. On the other hand, they are probably no worse now than they have been in previous times. In many respects they are better.

Certainly in and of themselves these conditions of deprivation do not explain nor justify the violence of riots. The roots of the difficulty



I LEARNED MY LESSON

BY FRANK PICKETT

Reformed youth tells how he turned to a productive life

I'm studying for my driver's license and ought to get it any day now.

Not that I don't know how to drive, man. I must have stolen 500 cars since I was 14—and that's only three years ago—and I can drive anything from a Mustang to a Cadillac. But I got this new job and I'm going to have to drive legit.

I work with radio station WCAS in Cambridge, Massachusetts, as a news boy—something like a copy boy on a newspaper—and they're already training me as a reporter.

If you'd a told me six months ago

this cat would be showing up every day for work on time with a clean suit and shined shoes I'd said you were nuts. It wasn't my thing.

I was doing time in the Little Joint (Shirley reformatory) for stealing cars and it wasn't no fun. The man (the law) caught up with me finally just before I turned 17. But I figure I was lucky. I been having trouble with the cops since I was nine.

I suppose you want to know if I'm going straight now. Man, I just got to or I'm heading for the Big Joint (the penitentiary). I got a

taste of what this might be like after nine months in the Little Joint.

I figure the time's come when you've got to lay and play, and dig. I made my play and now I'm pulling in \$85 a week and it's a new world. The people at the radio station treat me with respect. They know my record but they see something else in me, too.

Sure, I been a punk all my life but I'm not so dumb I couldn't see where I was headed. Now I got a chance to do something with myself. I got people who believe in me. For the first time I'm even beginning to believe in myself.

I can't tell you flat out I've got it made. I could wind up back with the old gang, stealing cars, getting drunk on cheap wine, boosting stuff out of stores. But right now this cat's going to play it cool.

Believe me, my moms and pops tried to keep my nose clean. But they have seven other kids to worry about. I was the punk. The rest are okay.

TEST straightened me out

There's three guys I could always turn to. They straightened me out. Gave me something to shoot for. Put some sense in my head. Joe Breiteneicher or Jim Leath or Clyde

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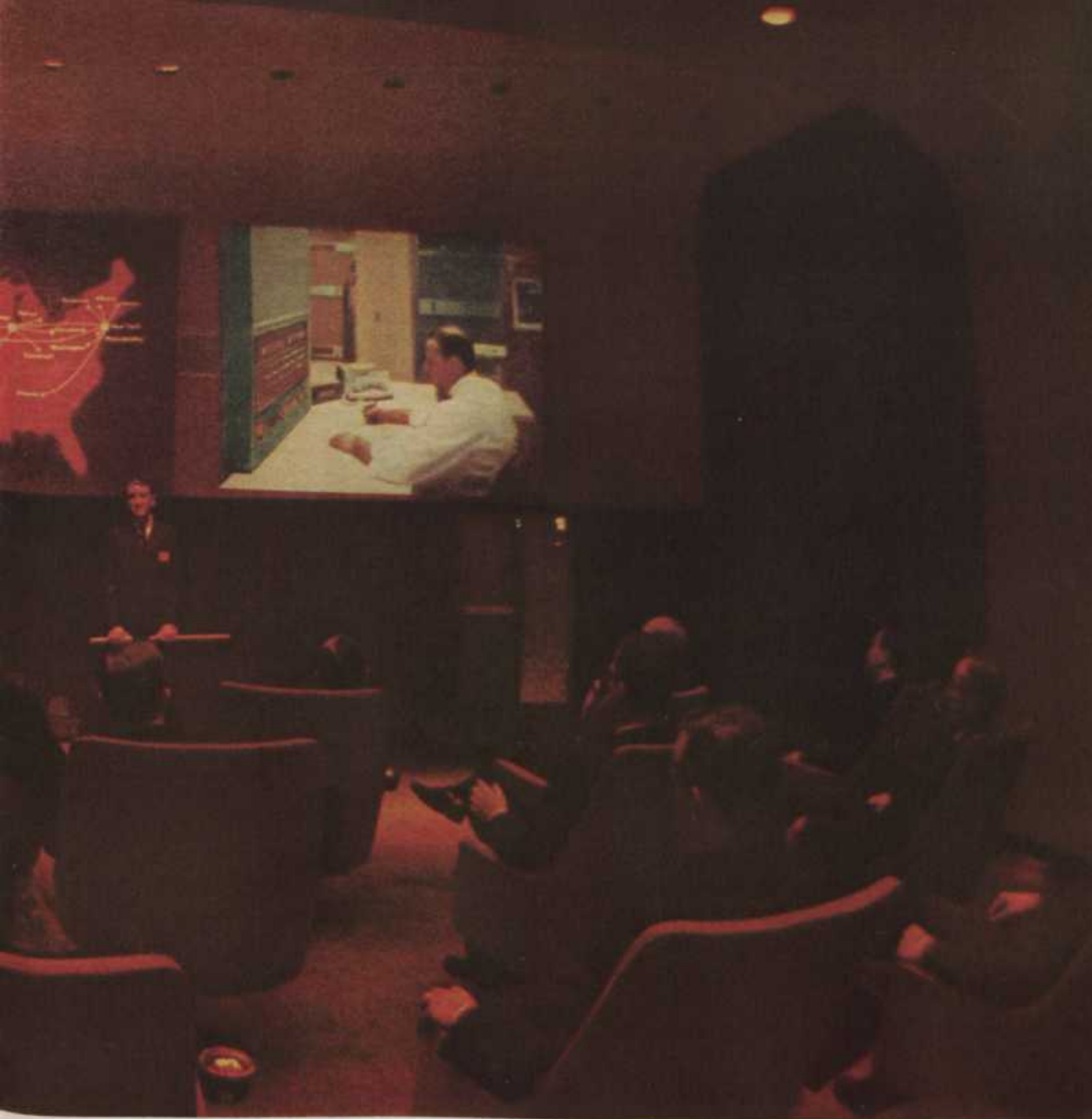


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Lindsay at TEST probably know more about me than I do about myself. (TEST is Teen-Age Employment Skills Training, Inc., of Cambridge. The three young Harvard graduates just mentioned have had much to do with its success in providing hundreds of underprivileged youngsters with jobs. Mr. Breiten-eicher has just resigned as president of TEST to set up a similar program in Cincinnati. He was succeeded by Mr. Leath. Mr. Lindsay is a job counselor and has worked closely with young Pickett.)

I beat the rap twice for stealing cars but my luck ran out about a year ago. The first two times I was let off on probation. But this last time they hauled me in to the Roslindale youth detention center in Boston. I knew I was going to jail. Moms and pops couldn't help me out of this jam.

I don't like to admit it but I was one scared punk. Maybe I shouldn't have expected it but the only thing I could think of was TEST. They hadn't let me down before. I called Joe Breiten-eicher and he came right away.

Joe doesn't dig treating you like a square. None of the guys at TEST do. Joe let me have it right between the eyes. I knew he wasn't going to give me any sympathy and I didn't ask for any. He told me:

"Get it through your head right now. You're not the hood you think you are. It's over. You're going to serve some time. It's up to you now. You can go one way or the other. We can help you if you really want it."

When I got to juvenile court, Joe managed to convince the judge I ought to be on parole after serving a few months. It turned out I served nine months. Otherwise, I would have been in Shirley more than a year.

Home was a housing project

I grew up in the Roosevelt Towers (a federal housing project) just about a half-dozen blocks from where the TEST center is now. I guess it wasn't too bad but I was bored most of the time. I was a wild kid. Always out for a good time. Man, I needed excitement.

I think I was nine years old when I first got in trouble. Pushed some kid in the street off his tricycle. I remember some cop came to the house and after telling my mother about it he hauled me out.

A year later I was walking past a

Catholic school with some friends. We decided to have target practice and the school windows became the target. The principal caught me. He called the police and they took me home. I denied it but they made my parents pay for the windows.

The police took me in again when I was 11. Got caught breaking radio antennas off cars. You use an antenna right and it makes a first-class weapon. This time they made out a juvenile card on me. And again they warned my parents to keep me out of trouble.

You could get your kicks in all sorts of ways. It was a cinch to walk in a store and walk out with a radio, a record player, clothes or whatever you felt you needed at the time. I don't know how much I boosted and never got caught.

The first time I stole a car I was 14. There was nothing to it. One of those 1956 Chevies where you don't need a key. Just turn the ignition. I had watched guys drive, so it wasn't hard. Trouble is I had gone about a mile when I crossed into another lane and almost hit some kids. This scared me. I drove the car in a parking lot close by and ran off.

When there was nothing else to do we stole cars. We never kept them long. There was hardly a day since I was 14 that I didn't swipe some wheels for a joy ride.

In jail at 16

I got my first taste of jail when I was 16. Me and my buddies got drunk on some wine and the police picked us up. I spent the night in the tank. A week later the same thing.

About this same time I went over to Watertown near here with a couple of boys to look for some excitement. Since it's an all white town and I wanted to be ready if trouble broke, I took my knife along. The cops stopped me on the street and found the knife. Well, they sent me before the Youth Service Board and I was put on \$1,000 bail and committed to the Youth Service Board.

I didn't much feel like working when I was a kid. Did a job here and there and quit soon as I had enough scratch to get by.

When I was 15 they started this Neighborhood Youth Corps in Cambridge. One of my buddies told me it was easy to get a job. So I went over. While I was standing in line I heard them turn a kid down

because he wasn't 16. And I saw they were looking over birth certificates. I turned around and walked out.

I asked my brother, who was 17, if he'd lend me his birth certificate but he wouldn't. So I dug mine out. I got an eraser and where it showed I was born in 1949 I erased the nine to make it look like an eight.

Nobody suspected a thing when I went back to the Youth Corps and showed them the papers. They got me a job washing dishes and other odd jobs at Cambridge City Hospital. I worked most all that summer in 1965 making \$1.25 an hour. But I can't say I was the best worker. I didn't always show up on time and some days I just didn't go in.

Really, all I was looking for was enough money to buy some drums. I wanted to have a band.

School never meant a thing to me. All I wanted was to reach 16 so I could quit. After that they didn't make you go to school. I did do well for a while and was able to skip the seventh grade altogether. Later, I dropped out of school a few times and transferred from one to another.

About two years ago TEST got started and the fellows I knew at the Youth Corps center pulled out and went with TEST. When I wasn't working I liked to hang around here. I even helped in the office. I dug some of the chicks that were there.

The cats we looked up to

But I still bummed around in my old neighborhood. The pimps and the hustlers there in their big cars were the cats we looked up to. They had good-looking clothes and broads. They could afford a do—a process—every week or two. That's when you get your hair straightened at \$10 or \$15 a throw. Real important cats.

The time I did in Shirley changed me some. This was no kindergarten. The guards beat me up more than once for smoking or talking or fighting. There were some tough characters in the joint.

Before they sent me up I was all big talk. I thought I was important. I was going to make the big money. And I thought I was pretty well up tight.

After a few weeks at Shirley I wasn't so sure. There were a lot of loudmouthed punks there. They probably had the same ideas I did.

I made up my mind at Shirley that one way or another I wasn't going back to that place.

Joe Breiten-eicher and Clyde

Lindsay didn't forget me. I knew they wouldn't. Just like they promised, they got me out on parole after nine months. They told the parole office TEST had some jobs open and they'd find one for me.

You want to know what kind of fellow they thought I was? Here's a few things Clyde wrote about me in a letter to the probation office at East Cambridge Court:

"He is more intelligent than his school record would lead one to believe. He has large but not fully focused goals. He has fine musical talent and great poise before an audience. His problems have stemmed from this unfocused ambition, the inability to relate goals with available means and adequate planning.

"Heretofore, he has expected his goals to be realized by dint of magic. He has held a high opinion of himself but been unwilling to put that self-belief to the test. Thus, he took the easy way out. He refused to continue trying and thereby running the risk of defeat. Instead he rebelled and fell back into his fantasies."

Out on parole

When I got out of Shirley I was confused. I knew they let me out early because Joe and Clyde said they could handle me. But I knew I had to get a job as part of the bargain. I sure didn't want to be a dishwasher again if I could help it.

But what did a punk kid like me have to offer anybody? I had taken some electricity course at Rindge Technical High and they taught me a little electronics at Shirley. I

like the stuff but what chance did I have with so little education. I wasn't even through my sophomore year in high school after dropping out and shifting around so much.

I do like entertainment. I can sing and play the drums. And, man, if I got the right people in the audience I can do a pretty good imitation of Ed Sullivan, Frank Fontaine and James Brown.

A few days after I was sprung from Shirley, Clyde, Joe and Jim Leath thought they had something for me. They said WCAS was looking for a boy full-time as part of the Kaiser Industries Youth Opportunity Program. So I thought I would give it a try.

When I got to the station two other cats were already there looking for the same action. Well, I said to myself, here's where I strike out. Me with a prison record. No qualifications. Dave Facey, who runs the news department, talked to me. I was "sullen and hostile," he told me later.

When Dave got through talking with me he said the job was mine if I wanted it. Man, did I want it. Dave says now he was convinced I had the stuff and it would be a challenge for him to work with me.

This is a new world and I really want to learn. I ask these radio people questions until they're almost crazy. But everybody's anxious to help. Man, I love it.

I set up the equipment for interviews. When they tell me what they want off a tape it's my job to pull it all together and get it ready for the broadcast. I'm even learning how to work some of the controls.

When I'm not busy I practice reading and talking into a tape recorder. Dave says he may put me live on the air soon.

I think my real break is coming. I don't know how many times I was interviewed by psychiatrists when I got in trouble with the law. I know their questions by heart. So, this gave me an idea and I talked it over with Dave. The people in Cambridge don't really know what's going on behind their backs. I mean how much dope is being pushed and how easy it is to make a hit. I asked Dave: Why don't you give me a little tape recorder I can hide under my coat and I'll bring you in some stories that'll raise your hair. He thought it was terrific.

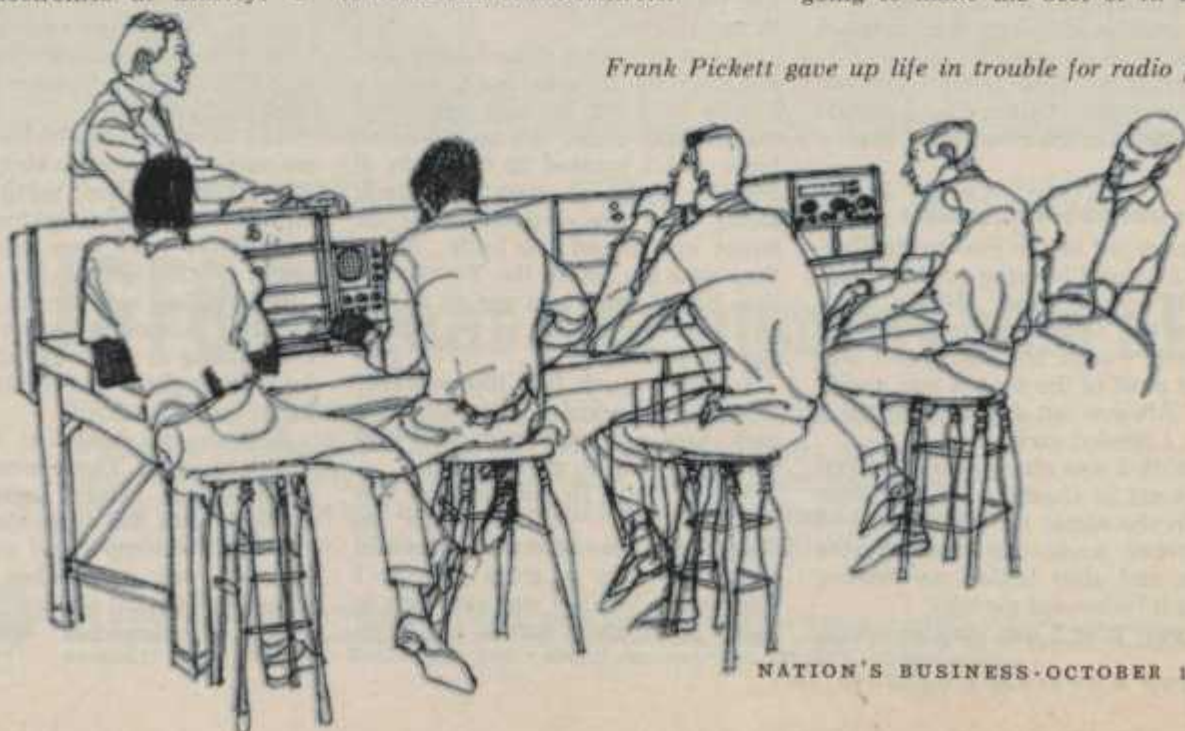
I know just about every cat in Cambridge that's trying to make an easy buck. When one of the fellows at TEST told me somebody stole his car I said, "Give me an hour or so and I'll have your car back." It was easy. I know every car thief in Cambridge. He got his car back.

I have already done my first interview. I had my tape recorder hidden and I walked up to this cat—he was high on the stuff. He started spilling his guts. He just hit town and was braggin' how easy it was to make a hit. It's going to sound great on radio. Dave's going to turn me loose to do more of these undercover interviews.

I'm going back to school too. I don't like to give up this full-time job but Dave wants me to work part time and all day Saturday. This is the first job I always show up on time for and I only missed one day when I had to move.

Now I got a taste of what it's like to enjoy life being straight and I'm going to make the best of it. **END**

Frank Pickett gave up life in trouble for radio job.



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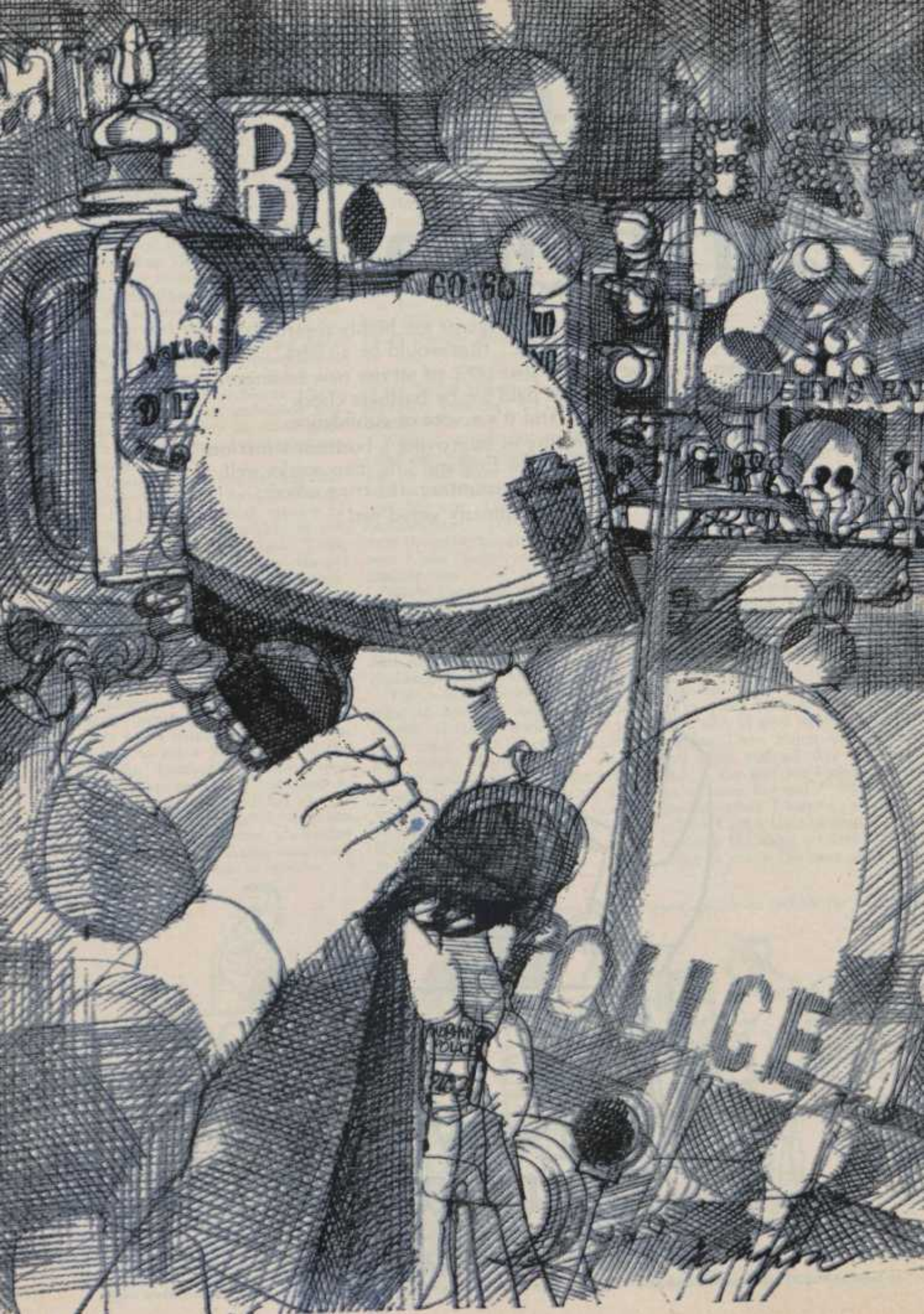
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THE BITTER WORLD OF THE POLICEMAN

For \$5,000 a year—a little more in some places and less in others—you can get a job that will:

Let you work poor hours in unpleasant surroundings.

Subject you to charges of brutality.

Allow you to be jeered—and perhaps mauled—while dealing with the irresponsible, the criminal or the racist.

Let you risk your life helping to quell a riot.

Yet, tie your hands by court decisions.

More and more across America today this is the bitter role of the policeman. In an increasing number of cities police recruiting is a serious problem. Police departments are undermanned. Young police officers are quitting in great numbers. Older ones wish they could.

Police morale is sinking alarmingly.

The policeman feels that the community is not behind him, the press is generally against him and that he has been abandoned by the courts.

In a civil disturbance—a race riot, for instance—the police force is your first line of defense, the preserver of law and order.

Americans are beginning to worry about the future of law and order as well as the tenor and tone of recent court decisions. Prominent jurists are speaking out. Police administrators are disturbed. The

businessman has a lot at stake and he's worried.

How much brutality?

Hardly a race riot in the country is not followed by cries of police brutality. Is it justified? Undoubtedly some cases are. However, charges of police brutality are so common now the FBI has ceased to compile them for routine release.

A few recent years' statistics tell a revealing story.

In fiscal 1963 the FBI investigated 1,376 complaints of police brutality stemming from possible civil rights violations. Twelve indictments were returned resulting in four convictions. In 1964 there were 1,592 complaints resulting in 16 indictments and four convictions.

And in 1965 the FBI handled 1,787 complaints which developed into 13 indictments and six convictions.

After the Newark riot a suit was filed against the local police department charging a long and continuing pattern of police brutality. It asked that the department be placed in receivership and that a special "master" be appointed with full administrative power over its affairs.

Some 200 affidavits from Negroes claiming various kinds of mistreatment were compiled in favor of the lawsuit. But the affidavits were kept secret.

The *New York Times* wondered editorially: "How can police offi-

cials be expected to correct abuses when no complaints are filed?"

The newspaper suggested that the policeman's predicament was due some consideration from the Negro community. As it put it, "If some police lash out indiscriminately at anyone with a black skin, so do some Negroes hurl abuse, rocks, bottles and even bullets at anyone with a white skin—especially when he is in uniform."

Last month in Milwaukee, city police were subjected to four hours of indignity and abuse in the City Hall headquarters of Mayor Henry W. Maier while a group of racial demonstrators wrecked his office.

Quinn Tamm, a retired assistant director of the FBI and now executive director of the International Association of Chiefs of Police, says:

"Placing the blame on the police is an easy answer, but a grossly unfair one. The police are not responsible for the social conditions that contribute to crime nor is it within their direct purview to alleviate these conditions. The mission of the police is, in theory, a simple one—enforce the law. This does not mean some of the laws some of the time, but all of the laws all of the time.

"When professional agitators such as H. Rap Brown and Stokely Carmichael can, with impunity, direct their followers into burning and looting and guerilla warfare, law enforcement in our nation has

reached a crisis of utmost gravity."

The serious fact is, however, that some police with slum beats today turn their heads when crime is committed rather than suffer the inevitable insults and injury that would result if the law were enforced.

Last year, according to FBI figures, 57 policemen were murdered in the performance of duty.

Among the 442 persons involved in the killing of police officers since 1960, 67 per cent had prior criminal convictions and 69 per cent had received leniency in the form of probation or parole on at least one of the prior convictions.

Sen. Robert C. Byrd (D-W. Va.), chairman of the Senate appropriations subcommittee for the District of Columbia, is among those concerned with the plight of the policeman. He is particularly worried over conditions in the Washington police department whose officers are having to cope with a skyrocketing rate of crime.

The nation's capital in 1957 ranked twelfth among 16 cities of comparable size in the incidence of crime. It now has been catapulted into second place. If the trend is not reversed, the capital of the free world may soon rank first in crime.

Complaints in privacy

Senator Byrd called in some 50 Washington policemen in the privacy of his office to hear their side of the story. It was much the same: Not enough backing from the community and press, unfair charges of police brutality and court decisions which hamstring them in their efforts to maintain law and order.

Says Senator Byrd, "As the policeman continues to be subjected to unfounded and unjust charges, as he continues to have to make his arrests and maintain them in the face of a hostile, abusive, violent mob, as long as he has to continue to put his life in great danger, feeling that he does not have the support or the appreciation or the thanks of his superiors, the press, the community, the Congress, the Executive Branch and the courts, he is going to be less likely to want to be a policeman."

"They are subjecting their persons to the hazards of police work in vain and they are experiencing the ridicule of the community, as a result of the extreme leniency of the courts," Senator Byrd charges.

"The police feel that it is a vain thing to arrest a man for rape, and take him in, only to find that he was arrested last month for rape and turned loose back on the streets."

While crimes go unpunished

Police are having to cope more and more with demonstrations of every conceivable nature that all too often turn into civil disturbances. They spend increasingly more of their time overseeing demonstrations and less in thwarting crime.

Dozens of Washington police are giving virtually full time to pickets marching past the White House. They were called upon recently to quell a disturbance in the House of Representatives where demonstrators illegally crashed the chamber to protest legislation. And they were summoned in force to maintain order in a crowd of welfare recipients who descended on Washington to oppose legislation to make them work or take job training to stay eligible for relief.

The right of assembly is being abused. And the courts are frequently blamed for letting this happen.

At a recent meeting the Chief Justices of 45 states passed a resolution scoring the "malignant growth of disrespect for and disobedience of law, which in this year has culminated in unprecedented lawlessness and mob violence."

The Justices called for a reappraisal of the laws and procedures which affect the task of the policeman, the prosecutor and the courts in their effort to protect society.

Leading law enforcement officials claim Supreme Court decisions over the past few years heavily favor the criminal and are making it increasingly difficult to obtain convictions. This is especially so in the case of stringent restrictions imposed on police methods of obtaining confessions.

Testifying before a Senate committee recently, the hard-hitting New York District Attorney, Frank Hogan, asserted that these restrictions have "significantly increased the chances that a criminal will escape judgment."

Senate Minority Leader Everett Dirksen says:

"Never in our history have our people been so threatened. Never before has civil discipline been so lax. Never before has leadership

been so lacking. The law must be enforced. The great failure of our society is its inability to maintain law and order."

Judge Warren E. Burger of the U. S. Court of Appeals in the District of Columbia believes that the present court system has grave flaws and that law-abiding citizens are becoming embittered and frustrated.

Why crime rate is so high

He says the criminal defendant in the United States is offered more procedural protections—such as suppressed evidence and dismissal of charges because of technicalities in conducting searches and making arrests—than anywhere in the world.

In Judge Burger's opinion, this may account for the fact that the crime rate in most countries is lower than ours. Sweden, for instance, with a population of eight million, has about 20 murders a year. Washington, D. C., with one tenth Sweden's population, has eight times as many murders.

Where have we gone wrong? Perhaps Evelle Younger, former California superior court judge and now district attorney for Los Angeles county, says:

"Many Americans regularly and openly disobey laws they don't like. The traditional methods of seeking changes in the law by urging legislative action seems old-fashioned. We have been sophisticating law and morality out of existence."

Much of the racial trouble today, he feels, is brought on by those who convince Negroes they can achieve all their demands simply by threatening a riot. And the blame rests not only on racial demagogues but on government officials as well.

On this subject, Professor Fred E. Inbau of the Northwestern University Law School and president of Americans for Effective Law Enforcement, observes:

"The philosophy of excuse and individual unrestraint is prevailing too often in government. We have the fuzzy idea that, because an individual is poor or socially deprived, we ought to overlook his criminality. There has been a gradual erosion of the notion that people have responsibilities as well as rights."

"The Supreme Court has contributed to this by overemphasizing individual rights. But civil liberties are meaningless unless you can exercise them in a safe, stable society." **END**



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TURNING MEN INTO DECISION-MAKERS

A conversation with Lee S. Bickmore, the president of Nabisco, who builds executives as he builds his business

Lee Bickmore was on the job less than three months as a salesman for the National Biscuit Co. when the boss called him in one day and gave him bad news:

"You're fired."

That was in the grim Depression year of 1933. Not that Lee Bickmore wasn't a good salesman. His territory was in the black. But he was single, newest man on the totem pole and somebody had to go.

For the next six months he dug postholes for ranchers and did odd jobs for J. C. Penney.

Undaunted, an aggressive and determined young Bickmore fought his way back on the Nabisco payroll. Today, 34 years later, he is president and chief executive officer of its far-flung operation.

At 59, silver-haired Lee S. Bickmore, a trim 5' 10" and 180 pounds, heads a business which last year

chalked up net sales of \$719.6 million and net earnings of \$40.8 million.

Under Mr. Bickmore's leadership Nabisco is becoming as familiar a brand name across the face of the globe as it has been in the United States for many years.

Mr. Bickmore is regarded as a leading innovator in the U. S. marketplace. His interests extend far beyond the biscuit industry and encompass the entire food industry.

On the desk in his New York office is a small metal plaque which reads, "There is no limit to what a man can do or where he can go if he doesn't mind who gets the credit." You sense in talking with Mr. Bickmore that he lives by that motto.

In his seven years as president, Mr. Bickmore has experimented in many ways to turn up executive talent within the company, particu-

larly in turning management specialists into management generalists and making decision-makers of his people.

In the following interview with a NATION'S BUSINESS editor, Mr. Bickmore discusses this and other facets of running one of the world's largest food companies:

Mr. Bickmore, what happened after you were fired from Nabisco so many years ago?

Well, this was rough. I was pretty blue. I asked what my chances were of getting back on the job if business picked up. The sales branch manager said, "Sure, we will take you back, if business picks up."

I said, "I don't want to lose my car in the meantime. (Salesmen had to buy their own cars in those days, and I had borrowed money from my aunt to make the down payment on this Chevrolet.) With a moratorium on in the banks, I wonder if I could get a moratorium on payments for this car."

He said, "I don't know."

And I said, "I am going to try with GMAC (General Motors Ac-



ceptance Corp.). I am going to ask them for a moratorium."

I knew that they needed another car like they needed a hole in the head, because they were taking cars back right and left.

So I said, "Would it be safe if I said to them that my work here had been satisfactory and you said that as soon as this business recession is over, that I will get my job back?"

He said, "Yes."

So I put this in a letter and sent it to the GMAC. Lo and behold, they granted me a moratorium on the payments.

Mr. Bickmore, you have a policy of turning management specialists into management generalists. How does this work?

Very well.

At first, this can be frustrating to the man who gets his training and his experience along a certain line, let's say for example, in a technical area. Then if we ask him to move from this into a sales, marketing, merchandising or advertising activity, he is lost.

But the capable guy who can weather this and make the adjustment begins to show whether he can become an executive or whether he can't.

I think this is very significant for this reason: In view of the rapidity with which change is taking place—I don't care what particular facet of the business you are in—in the future, the man who is going to be able to get to the top is going to be the man who can manage change.

He is really developing the quality you want in the way of leadership, and this is the type of man you must have for the future. Changes hit you. They are not all mapped out and explained. There are no blueprints—when the change comes you have to do something about it.

How do you spot one of these leaders?

It is a little bit difficult to spot them, and yet, on the other hand, it begins to show up early in a man.

One of the best indicators, it seems to me, is that you detect that this man's associates begin to look to him for stability, for a little guidance, for maybe a little help, perhaps some counseling. If problems come up within the department, you pretty soon find them saying, "Let's see what Joe thinks about this."

I think the first indication of ex-

ecutive talent is when a man begins to get work done through other people and gains his satisfaction through their accomplishments.

Your All-American basketball player does not always make the best coach. Similarly you might promote your most successful salesman and you may get a poor manager and lose a star salesman.

I have found that the people we put in particular spots are going to be doing their best to do the job that you hoped that they would do. Chances are they will be doing it better than I could do it or did do it when I held the same positions because they are much better qualified and trained.

Mr. Bickmore, you are pretty keen on the subject of "executive dropouts." Would you explain what that means?

Well, a fellow gets to a certain point and he no longer grows with the business—or ahead of it—which he should do. He levels off. He hits a plateau. He only does the routine things he has to do. He does not progress. So then, he becomes a "dropout" just as truly as a kid who drops out of school.

The only difference is, he doesn't leave the desk. Therefore, he clogs the channels. All too often this fellow doesn't know he is a dropout. Even his boss may not recognize that he is a dropout because they may be close friends, approximately the same age; they may play golf together, and so on.

What symptoms do you look for in a dropout?

He no longer wants to take any risk. He says, "Oh, this is all right." Or, "We tried this 15 years ago and it didn't work. That can't be done. That is no good."

What do you do about these people?

This is a very delicate situation, but in the interest of the whole company, you have to take some action.

Sometimes you can stimulate these people through working very closely with them, through coaching, counseling and so on, and they may get a new lease on life. They may wake up and get going.

This ties in a little bit with the saying: "If the congregation goes to sleep, wake up the preacher." It might be my fault if someone under me goes to sleep.

Another thing you can probably make a lateral transfer of these peo-

ple into other assignments. This, again, is delicate because you don't want to destroy this man.

Maybe you can get him out of the mainstream and into some special assignment which will renew his interest.

Or if this isn't feasible and his age is at a certain point, you might talk to him about early retirement.

But in the interests of the business, with younger ones coming along, you better take some action.

How do you make an important decision?

I have a philosophy that no man should come in to his immediate supervisor for a decision. He should come in with a decision. Then you get a chance to probe, to say, "If you do this, what effect does this have on this classification of accounts?" Or, "If you do this with this product, what will be our competitors' reaction with their product?" and so on. You continue to probe and examine his depth of thinking.

If a fellow comes in and says, "We have thought this over. My team, my associates have worked on this; these are the alternatives; but this is what we are going to do," then you go all through the probing with him. Finally, if it looks as if this is the best thing to do, if you can't see anything wrong, you say, "Go ahead with it."

If on the other hand, he says, "We have a terrible problem; what shall we do about it?" I say, "I don't know. What do you think you are going to do about it?"

So they actually make the decision.

When I am probing with a man, I find out whether he has done his homework, or whether the problem may be beyond his capacity.

You put a lot of emphasis on homework.

Yes. I want them to really dig and know what they are talking about—not just the surface stuff.

You can detect whether they know it and have dug deep, or if it is beyond their capacity. You spot those who think they can rest on their oars.

This is the way, actually, I make a decision—they make it.

How do you motivate people to perform well?

Basically, I think that people like to perform well. I think that if you



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TURNING MEN INTO DECISION-MAKERS

continued

eliminate the roadblocks, get out of the way and set the course for them, they will perform well.

You don't set aside an hour each morning to train your executives. Training goes on when they are coming in with real, actual cases. This is the only way you can train them, I think.

You are in the food business in a big way, and hunger is a problem all over the world. What do you see as the role of business in this situation?

I think that the business community is becoming more and more aware of its social responsibility.

I am quite sure that, to solve these problems, world-wide, you must have the help of well-integrated, well-managed companies, because it is a management problem.

The people in these less developed countries need management more than anything else. This is the role that can be played by big corporations.

Do you feel, in this matter, that business will have to work closely with the government?

Yes, because government has to be the correlating, coordinating factor. I think government increasingly understands that it cannot solve the problem by putting in people who are not capable managers.

How do you think the so-called "truth in packaging" law will work?

As you probably know, I opposed the legislation all along. I felt that there were already adequate laws on the books to protect consumers.

The vast majority of manufacturers are legitimate, honest people. They don't deliberately practice deceptive packaging.

We also think that our system, where Mrs. Consumer comes into the store, is exposed to our products every day and where she casts her vote for the products of her choice, is the greatest police force that you can have. If I am in business and I practice deceptive packaging, these gals in the marketplace, who are very, very intelligent people, try my package. If it is not what it is supposed to be, they drop it quickly.

I understand that the labeling of products—yours among others—is going to be an astronomical job, to police it and keep it within regulations.

The policing will not be difficult

because, again, reputable concerns are going to do what the law said should be done, which is what we have been doing in the past.

Some stipulations are forcing us to change the type and labels. With the number of products and packages we have, this will take some time.

The thing that will hold it up is the inability of the printing industry to make these many changes immediately.

They say it will take three years, working night and day, to make all these changes.

Some people thought it could be done overnight?

Yes, those people do not understand the problems involved.

Is there a communication gap between business and government?

Yes, there is such a gap, but I think that progress is being made.

We have to understand one another a lot better.

I think that business feels that in many instances it has been harassed by government agencies.

I am sure that this is not a healthy climate in order to get the best job done for everybody involved, and I think that this relationship has to be improved. I think that you will see a lot of improvement in it.

This is a two-way street and top government people—including the President—must set the climate for it.

As in any business, it isn't the janitor that sets the climate. You have to go to the head of the house. It has to be followed up by businessmen and there has to be absolute confidence. It is too important for the country. You can't have government going down this road, labor down that road and business down another.

Has anything happened that gives you some reason to be encouraged that they are closing this gap?

Yes, I think that a lot of the meetings being held in Washington with businessmen and with labor are very constructive. This doesn't mean they always agree, but they lay their cards on the table and establish a dialogue.

President Johnson will meet with us. President Kennedy met with us on many occasions.

You, in your company, are strongly in favor of your employees taking part

in public affairs. I read that you have 40 of your people on boards of education and 35 town officials, of which three are mayors.

We feel that as a corporation we have a real responsibility to our country and that one of the ways we can best discharge this responsibility is to encourage people—our employees—to be very active in the party of their choice.

We don't care whether they are Democrats or Republicans. It makes absolutely no difference.

We want them to be active in their local areas, for them to understand what the issues are and, above all, to be sure that, in both parties, good men are running for office.

Do you think that this is beneficial, not only to the individual, but to the company?

I am sure it is beneficial to the individual. The experience should make them better employees and citizens. I am sure it is good for the company, because your reputation is established generally by your people and your products. More is known about your company by the products and employees than by any other means, except perhaps by advertising.

So if our people are the right type, if they are civic-minded and want to do their part as leaders in the community, this then assists the image of our company. And, in the long run, you get a better government from it.

Since you became president in 1960, your foreign business has grown from 13 per cent to 21 per cent. What made you decide to go after this foreign market, this foreign business?

Well, I knew a lot of progressive companies were very active in the international business field: Kellogg's, Corn Products, Heinz and many others. I had seen their financial reports and noted that they showed they were getting 35 to 40 per cent of their total sales and 60 to 65 per cent of their profits from abroad. So we decided to study the advantages of geographical diversification.

In 1959, when I had an opportunity, I took a trip to Europe to look the market over and came to the conclusion that we should move in this direction.

What has given you the most satisfaction in your life?

The greatest satisfaction of all—and this is not just a cliché, it is sincere—is to see the development

of the people within the company and to feel that I have a satisfactory relationship with them.

If you were starting all over again, would you do anything differently?

A funny thing, at school I was going to be a doctor. It started out this way and I didn't have the money to study to be a doctor. Then, I was going to study to be a lawyer. A wealthy acquaintance said, "If you go on to law, I will pay all your expenses. You can pay me back later."

I said, "No thanks; I want to be on my own."

So I continued my studies in economics and business administration and, as we discussed earlier, cast my lot with Nabisco.

What qualities that you possess

would you say have had the most to do with your success?

Well, I have been very lucky. This is true, too; I happened to be in the right place at the right time. I think this has a lot to do with it.

Another thing, I have been completely satisfied with every position that I have had.

I have the philosophy that you should do the thing that you are presently doing extremely well, the best that you can and don't worry about opportunity knocking. The important thing is to be ready when it knocks. You will hear the sound.

What advice would you give to a young man starting out in business today?

Well, I think I would tell him three things:

First, tell the truth.

Second, work hard.

Third, keep informed.

If you keep informed and you don't work hard, you are not going to get anywhere.

If you keep informed and work hard but you don't tell the truth, you will surely not get anywhere.

END

REPRINTS of "Lessons of Leadership: Part XXIX—Turning Men into Decision-Makers" may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

ONE WASHINGTON BUREAU THAT TURNS A PROFIT

It's unique for a government agency to find Congress more than willing to give it every nickel it asks, but even more unusual to find business urging it be given even greater manpower.

Crime fighter

This is the record of the United States Customs Bureau, a division of the Treasury that is a whopping revenue producer on the one hand and a crime fighter whose battle of wits with smugglers often rivals television melodrama.

For the 202 million persons who entered the United States last fiscal year, Customs means the man who checks the baggage and the souvenirs purchased abroad.

But it is much more.

For business, an efficient customs service is vital to the multibillion-dollar import-export industry and to the Port of Entry cities where both goods and travelers leave and enter the country.

To the United States government, Customs is one of its most profitable agencies, collecting in the

last fiscal year a record \$2.7 billion in excise taxes, duties and miscellaneous receipts.

To the Congress, it is one agency that justifies itself with an impressive statistic: For every \$1 it spends, it collects \$29.

Even for the farmer, the agency has a special boon: It helps keep out foreign crop-destroying pests.

Not as well known to the public is Customs' small, but highly aggressive role as a law enforcer that last year won a thousand victories over dope smugglers, seizing 26,313 pounds of marijuana alone at various of the 355 ports of entry.

Speedy reorganization

Spurred by business to speed up and simplify its services—and prodded by President Lyndon B. Johnson—Assistant Secretary of the Treasury, True W. Davis reported to Congress this year that Customs had completed in one year a reorganization plan scheduled to take five. In the process, he says, more than 100 forms have been junked, the backlogs in the great port cities

whittled and the clearance of travelers entering and leaving hastened.

But Customs Commissioner Lester D. Johnson and other officials warn that jumbo jets—which will carry up to 500 people—are going to increase their headaches.

Greater workload

It was for increased efficiency and convenience that more than a dozen Chambers of Commerce and Port Authorities urged the Congress this year to make sure that Customs got adequate funding and manpower.

The trend toward direct foreign flights to interior American cities has added to the bureau's workload.

The volume of mail coming into the United States daily also is staggering. Over 55 million packages, for instance, were received in fiscal 1967. Of this total, Customs opened 2.6 million. It aims to increase the percentage of its random checking. It estimates that every \$1 spent on inspecting packages yields \$7 in extra revenue. **END**

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To make people listen...



Many times during the average business day you are asked for oral reports. You report orally:

- When your boss calls you into his office and asks for a quick rundown on the status of a new system.
- When two or three people gather in your office to discuss a matter on an informal, conversational basis.
- When you are asked to attend a meeting and present your recommendations or defend a point of view.

Oral reports, therefore, are both spontaneous and

prepared. But in either case, they are a challenge to the person who wants to get ahead.

Orderly, effective reports don't just happen. They result from orderly habits of the mind, a knowledge of how to get through to people and frequent objective appraisals of your own performance.

Here are seven practical suggestions to help you develop confidence and competence in making both informal and formal oral reports.

Who and what?

1. Ask these questions about your listeners and the occasion. Answers to most of these questions are essential. They provide direction and focus for your report:

Purpose of the meeting?

Who will attend?

Will some need basic or updated background information to understand your comment?

What do your listeners expect to get from your report?

Are others making reports? If so, are you speaking first, second, last? And what aspects are they covering?

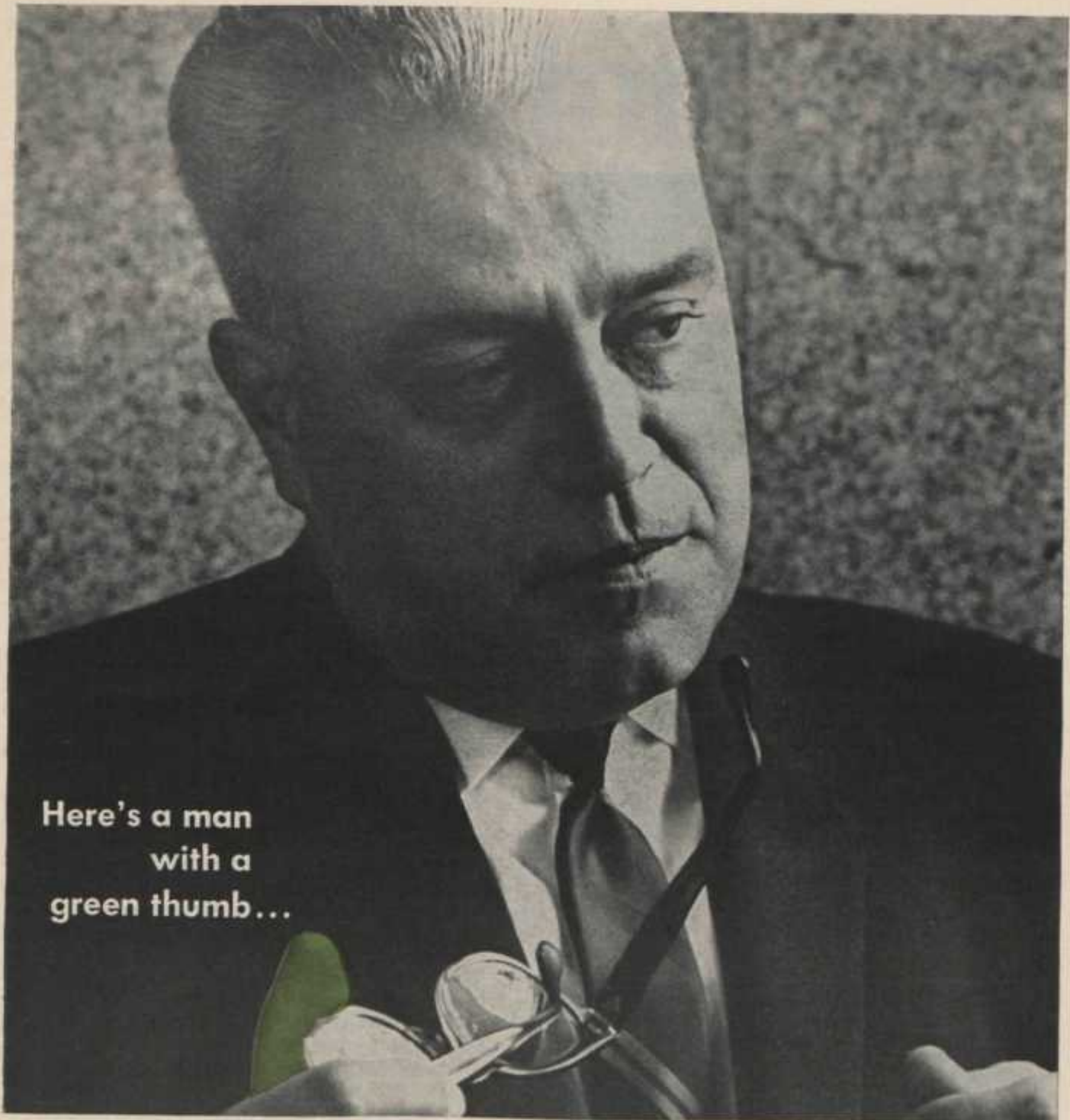
Are there delicate areas to be avoided or met head-on?

What are your purposes in making the report?

If you frequently meet with the same individuals or groups, you know the answers to some of these questions, but they will also help you size up the outside listener from another department or another company.

Analyzing your listeners ahead of time may also indicate the need to relate your comments to previous reports on the subject; to anticipate questions and objections and treat them in the body of your report; to determine the order in which you will pre-

JUNE GUNCHEON, author of this article, is a communication specialist who is a consultant to major corporations.



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sent your material (recommendations first, or background first); to translate jargon into understandable language.

Why?

2. Identify the purpose. After evaluating your listeners, examine all the facts of the "why" of the report.

Sum up the procedure this way: To whom am I talking, about what and why? Ask yourself whether you and your report intend to:

Inform, explain, instruct, interpret.

Amplify, expand a previous report, trace progress.



Propose, recommend.

Convince or persuade.

Defend a position, clarify a stand.

Seek cooperation.

Motivate, inspire, get action.

Criticize, reprimand.

Allay fears.

There are other purposes and combinations of purposes. Simply to report or present may not be doing the complete job.

Once you have determined that your report has more than one purpose, list them in the order of importance and then begin to think about your material in relation to these targets.

For example, if the subject of your report is "Changes in Retirement Plan," your purpose may be to explain. But woven into your report might be secondary purposes such as selling the changes—that is, defend them against objections and interpret them by comparison with past plans or plans of other companies.

Or you may also want to motivate action. For example, instruct on how to begin.

Getting facts across

3. Organize and outline your report.

Making an oral report is not just an opportunity to demonstrate how much you know about a subject, but an attempt to help others grasp facts. When responding informally to a question or reporting formally, try to follow some kind of outline.

Here are two easy-to-use outline forms useful when you must prepare with only a few moments advance notice, or for the impromptu comment or planned-in-advance report.

The AIDA formula is useful when you are trying to motivate, sell or get action. The initial letters which spell the name of the well-known opera, remind you to capture Attention, sustain Interest, incite Desire and get Action. The formula makes you focus on the listener, forcing you to present your ideas in terms of his needs, interests and problems.

Another formula which is ideal for spur-of-the-moment speaking is PREP. These letters stand for Point, Reason, Example, Point.

Here is the way it works. Determine clearly in your own mind your point of view on a subject. For example, "I believe that we should revise our vacation policy."

Next, ask yourself, why? This is the reason step: "Because the work load in too many areas becomes unmanageable as our vacation schedule now stands."

Follow with the example, the most important element of the formula since it requires you to be specific: "Last month there were 16 people on vacation from the AB Department, 11 from CD and this is what happened. . . ." Examples may be statistics, personal

Washington goes 'round and 'round and it comes out here.

Like it or not, it is an undeniable fact that the Federal Government is the biggest single influence on today's business.

The bigger the business, the more involved it becomes in government relations.

And the bigger the involvement, the more its executives need to be kept completely up-to-date on events in Washington.

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Each month, Nation's Business tells forward-looking executives what's happening in Washington that will affect their businesses. Then we tell them what's going to happen.

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Nation's Business is uniquely qualified to predict trends in Washington because we're the only business magazine edited and published in Washington.

Our writers and editors know more about official Washington than most Washington officials.

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And this familiarity with the workings of Washington, combined with journalistic zeal and an acute business sense, enables them to get to the heart of important issues.

As a result, Nation's Business offers distinct advantages to readers and advertisers.

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The advertisers get the readers.

And it would seem logical that a businessman who reads a magazine that looks ahead, looks ahead himself. So Nation's Business readers are the company planners, the decision makers, the buyers, the check signers.

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Watch facial feedback

experience, quoting authorities, demonstrations, analogies, anecdotes, any concrete illustration that clarifies and substantiates your point.

Conclude with a restatement of the point, or at least keep your thoughts heading in that direction. Often a restatement of the initial point of view provides a transitional bridge into the next phase of your report.

You have a better chance of getting through to your listeners and effecting the desired response when your report is presented in orderly fashion.

But remember that practice makes perfect.



Vary tempo and pitch

No one can be a disorganized thinker 90 per cent of the time and expect to be organized for the other 10 per cent.

The business executive who rambles in his thinking and speaking should begin to use organizer formulas whenever he talks—over the luncheon table, explaining ideas to his children, in telephone conversations.

One executive, who often made overseas phone calls, had his secretary type up the PREP reminder and tape it on the base of his telephone. He said he was able to reduce his phone bill appreciably.

A vice president in a large insurance firm taught his 11-year-old son how to use PREP in writing compositions.

Not only did the boy get better grades and public praise from the teacher, "but," said the father, "I rose to new heights in my son's estimation."

If you use notes

4. Make efficient notes and use them.

Notes for a report are comparable to the signs along our turnpikes. We pick up information at a glance as we whizz by; we should do the same with notes. Here are some tips on how to prepare them:

Use cards (3" x 5", 4" x 6", 5" x 8") or sheets of paper, whichever is more comfortable for you. Paper should be a good grade of bond so pages do not stick together.

Number each card or page in upper right-hand corner.

Keep notes brief, just a word or phrase, with plenty of space between points so your eye easily locates the next thought-jogger.

Type or print in large, block letters. Handwritten and penciled notes are too hard to decipher, making you tense and nervous.

Underline important words or figures in ink or colored pencil to direct the eye to them quickly.

Do not fold your notes (they should lie flat) or staple the pages together. Turning pages distracts your audience.

Notes tell your listeners you have prepared, so don't conceal them. After you make your notes, read them over once or twice so you become familiar with them and where they appear on the card or page.

Occasionally you might wish to read from a study, a magazine or newspaper article as part of your report. Here are a few helpful guides:

Be familiar with the material. Try to find time to read it aloud prior to the meeting so you become familiar with words, phraseology and total context.

Listeners cannot see punctuation, so punctuate for them.

Pause for commas and periods and more often if material is complex.

Hold your reading material at a comfortable height so you read out and over it, not down into it. Look at

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your listeners occasionally while reading. Use your free hand or thumb to guide your eye down the page.

Your own image

5. Look at yourself as part of the package.



Good merchandise is no longer sold over the counter in brown paper bags. Today, packaging it properly is a must. Packaging applies not only to things, but to ideas.

When you present a report or express an opinion at an informal meeting, you are part of the package. How you look and sound will help put your message across.

The way you sit or stand, the clothes you wear, your mannerisms—speak for or against you. These externals are the silent, nonoral forms of speaking.

More and more a man is judged by the image he creates, and, fairly or unfairly, in many companies a man's progress is determined by how well he handles himself when giving reports to company audiences.

On occasion, look at yourself objectively. Perhaps your appearance or behavior needs some refinement.

Your checklist might include suit pressed, shoes shined, tie unspotted, nails clean and clipped, head or shoulders dandruff free.

Breathing and pitch

6. Make your voice work for you.

If nervous tension is one of your problems when giving a report or even speaking informally, correct breathing will help you relax and gain confidence.

Learn to breathe from the upper area of the abdomen, the diaphragm. Place the palm of your hand on this area and inhale slowly. Your hand should

push out as air fills this cavity. It is like blowing air into a balloon. Exhale and the balloon deflates.

Once you learn to breathe like this, you can get a quick gulp of air from this "balloon" when you feel tension building, your mouth going dry and words sticking in your throat.

Just before you speak, take one or two deep breaths. They will help you through those first tense seconds.

Proper breathing will also help you project your voice, eliminate the nervous, shaky quality and enhance the importance of your message. But there is another danger you should guard against—monotone.

Your voice is made up of pitch and inflection. Pitch is how high or low you speak. For example, bass is low, soprano is high. Inflection is the changing of pitch. Ability to vary pitch makes you easier to listen to and contributes to the impact of your report.

Listen to your voice. Use a tape recorder, or cup your hands behind your ears.

Pace or rate of speed is another factor to consider when speaking informally or formally. The average conversational rate is about 125 to 150 words a minute.

Slow speech is wearisome listening for educated, alert people. If you are a slow, plodding speaker, try using some short sentences and vivid words.

If you tend to rush headlong through reports "to get them over with," do the opposite. Use some longer sentences, more pauses.

But above all, vary the pace, quicker tempo for easy-to-grasp information, a slower, deliberate delivery for complex or new ideas.

Not voice alone

7. Communicate with your eyes.

Look at your listeners while you speak. This is "eye communication." It is more than mere eye contact, since you communicate with your eyes as well as with your words. Watch for feedback—a head nodding in agreement or a frown of disagreement, bored or interested expressions.

It is not uncommon in business meetings, however, to see every face a poker face giving no sign of acceptance or rejection of your remarks. Such a lack of facial response puts an added burden on you.

But if you analyzed your listeners and thoroughly planned your report, you can be reasonably sure that you are getting through, whether facial feedback indicates it or not.

This is not to say your listeners accept your ideas, but if they understand your message, you have successfully negotiated the first step. **END**

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or LEAVE THEM ALONE!

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ROOTS OF UNION POWER part three

HOW LABOR LAWS COULD BE REFORMED

PHOTO: DENNIS BRADY—BLACK STAR

"There ought to be a law..."

Editorial writers, Congressmen, the man in the street and the lady on the bus were saying that again last summer—almost by reflex. Trains all over the nation had hissed to a stop; the railroad industry had been hit by another labor union strike.

Yet labor affairs, not only in railroading, already are crammed with laws and regulations. In fact, decades of governmental favors, privileges, exemptions and immunities handed unions have been the main source of the growth of union power. "Socially progressive" legislators, bureaucrats and judges have clouded such special treatment for unions with phrases about the "promotion of industrial harmony," in the hope that businesses can some-

how continue absorbing the growing costs of union power.

But the "somehows" appear to be running out. This is seen in reduced efficiency at home and increased competition from products abroad.

The American consumer also is feeling the results of union power—in the pocketbook. Record-high wages continue to drive prices to new heights.

Consider a few of the power-packing privileges that the federal government alone has granted unions:

- The power to force workers to join unions or lose their jobs.
- Immunity from suit for damage done by union members.
- Power to force employers to bargain with unions.
- Almost complete union immunity from antitrust action.

- Special license to invade the property rights of both employees and employers, despite Constitutional guarantees against such infringements.

- Immunity of union members from union debts, a privilege not given to members of other unincorporated associations.

- The power to represent all employees in a unit; even if a minority—and sometimes a majority—doesn't want the union.

- Special exemption from taxation.

Associate Editor WALTER WINGO, the author, specializes in labor-management affairs. This is the last article in a three-part series. Reprints of all three parts are available.

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HOW LABOR LAWS COULD BE REFORMED

continued

- Almost total immunity from injunctions by federal courts.
- Power to force employers at times to turn over their financial records to the unions, while leaving unions largely free to keep their records secret.
- License to discriminate against employees who refuse to take part in union activities. Employers meanwhile are forbidden from discriminating against employees for participating or failing to participate in union activities.

In the days before the great influx of such privileges, labor clashes were settled in courts—like most other civil disputes. Decisions were based upon common law, past practices, previous decisions and, in general, a respect for justice. The emphasis was on the freedom of individuals to make contracts and on a strict enforcement of those contracts.

The Supreme Court, for example, ruled in 1923 that a minimum wage law was unconstitutional because it violated a worker's freedom to contract whatever wages and hours suited him best.

Courts used to issue injunctions to prevent or to end violations of individual rights to life, liberty and property in labor disputes just as it still does in other types of disturbances.

Washington plunges in

The Railway Labor Act of 1926 was the first big government encroachment into freedom of employment in this country. It extended union power in many ways.

It deprived employees of their right to vote against having any union represent them. It also provided for a long series of White House intercessions into the labor affairs of railroads and, since 1936, airlines.

The bill allows the President to appoint a board for recommending settlement of emergency-type disputes between labor and management.

Under this arrangement, unions have made a charade of bargaining. They consistently push negotiations onto the Emergency Board and just as consistently reject the Board's recommendations.

Unions in other industries began getting sweeping special privileges of their own in 1932 with the Norris-LaGuardia Act. It plunged the government into the substance of contracts between workers and management. It also emasculated

the federal courts' ability to issue injunctions in cases "involving or growing out of a labor dispute." It broadly defined a labor dispute as "any controversy concerning terms or conditions of employment."

Norris-LaGuardia also broadened that part of the 1914 Clayton Act which, in effect, exempts labor unions from prosecution for monopolistic actions. The Supreme Court has since ruled that unions can be convicted of antitrust violations only when it is clearly shown that the union has conspired with a set of employers to impose a wage scale in an industry.

Antitrust law is so vaguely worded it has plagued management throughout this century. Labor unions, however, have no such worries.

Why, ask management lawyers, when companies are forbidden from getting together to set prices, can unions get together and even merge in order to set wages?

Guy Farmer, chairman of the National Labor Relations Board from 1953 to 1955, suggests as one answer that:

1. No union be permitted to represent more than 10 per cent of the productive capacity of a basic industry.

Thus no single union could cripple an industry.

2. Unions be forbidden from acting together in labor negotiations and strikes.

This would avoid master contract arrangements, says Mr. Farmer, now a Washington labor relations lawyer.

More union privileges

Union power spread still further with passage of the Wagner Act in 1935. This law stated that its intention was to give the unions added advantages.

The Wagner Act imposed many obligations on management and individual employees, but none on unions. It provided that any union selected by a majority of the employees in a working "unit" shall represent all the employees in collective bargaining.

The United States and Canada are the only countries where unions have that privilege. Elsewhere unions usually represent only their members.

The Wagner Act also forced all employees to accept the terms of the labor contract, whether in the union or not. It thus denied to the worker who did not wish to join the

right to bargain for himself, to earn more by working longer hours or of working instead of striking.

The Wagner Act also defined a number of management actions as illegal "unfair labor practices." It set up a National Labor Relations Board of political appointees to conduct inquiries and mete out punishments.

The Act enabled unions to organize workers as never before. Led by the International Ladies Garment Workers, the United Mine Workers and the Amalgamated Clothing Workers, total union membership in the United States jumped from 3.9 million in 1934 to 7.1 million in 1938.

By 1946, when union membership had climbed to 13.1 million, the full power of unions was being felt everywhere. A wave of violent strikes and other union abuses that year finally brought on what union bosses fear most—an outraged public.

Congress the next year passed the Taft-Hartley reforms to the Wagner Act, over tremendous union opposition, smear campaigns and President Truman's veto.

Attempt at reform

The Taft-Hartley amendments attempted to:

- Rescind the union privilege of forcing a "closed shop" upon an employer so he could hire only members of certain unions.
- Provide that states should be guaranteed freedom to pass right-to-work laws to prevent unions from making contracts providing still other forms of compulsory union membership.
- Restore to employers the right to seek injunctions in certain cases involving the secondary boycott, a union tactic for putting pressure on neutral parties during labor disputes.
- Require that unions, as well as management, bargain in good faith.
- Restore to employers the right to speak freely and to bring suits against unions.

William Green, late president of the American Federation of Labor, howled that the amendments made "a slave labor law" of the Wagner Act, which he once considered "the Bill of Rights for the American labor movement."

Mr. Green and other union leaders immediately set their influence and power to work watering down the amendments.

Despite the unions' outcries that Taft-Hartley would ruin them, their membership quickly swelled by an-

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PARTICIPANTS

Selection of participants in the Forum is made on the basis of position in management, business experience and educational background.

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The number of participants in each group is limited to 50. Those beyond this number who qualify will be placed on a waiting list, and will be given an opportunity to enroll in a Forum to be held at a future date.

TUITION

The tuition is \$400. This includes reference materials, case studies and program evaluation.

Charges for lodging and meals are payable to the host facility. The charges are: At the Santa Barbara Biltmore, \$40 a day; at the Stagecoach Inn, \$30 a day; at Airlie House, \$28 a day. Single-occupancy rooms are provided. The National Chamber will arrange reservations.

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For application form for enrollment in one of the Forums for Economic and Political Discussion, write to: Forums, Chamber of Commerce of the United States, Washington, D. C. 20006.

Selection of participants is made about one month in advance of the opening date of the Forum.

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HOW LABOR LAWS COULD BE REFORMED

continued

other 4 million. Neither did the amendments stop unions on occasion from endangering the nation's health and safety with their strike threats. In fact, in the 20 years that the Taft-Hartley amendments have been in force, unions have triggered the law's emergency strike procedures 25 times.

This does not, of course, include

strike threats against railroads, airlines and public services which have their own emergency procedures.

Amendments too weak

That the Taft-Hartley amendments would not be enough to control union power became obvious during the long hearings of Sen. John L. McClellan's crime committee. Spurred by public reaction to revelations of phony union elections, embezzlements and close hookups between unions and organized crime, Congress in 1959 passed the Landrum-Griffin amendments to the main labor law.

These strove to protect the rights of union members from abuse by union officials and to prevent misuse of union funds. The amendments also tried again to restrict such union power plays as secondary boycotts and blackmail picketing, in which a union that employees do not want pickets an employer to force him to recognize and bargain with it.

Again, the amendments were aimed mostly at the symptoms of labor troubles and not at the real cause, union power. And again, unions, courts, the Labor Department and especially the National Labor Relations Board have watered down the effectiveness of the amendments.

Union leaders have been accused of staging rank-and-file rejections of labor contracts in an effort to demonstrate that the Landrum-Griffin amendments went too far in giving union members a say in union affairs.

A series of decisions by the NLRB and the Supreme Court have tripped up the Landrum-Griffin attempt to limit secondary boycotts, especially in the construction industry.

Landrum-Griffin's aim of insuring that all workers have an equal opportunity to become paid officers in a union is being challenged by many union leaders and their friends.

Unions get help from the government in many other ways. Broad programs to raise minimum wages, unemployment benefits and social security all tend to give unions more bargaining leverage.

States boost union power

State governments have done their share of abetting union power.

During last year's illegal transit strike in New York City, the late Mike Quill, leader of the Trans-

port Workers Union, had no fears that the city or state would enforce its own laws against the union. Standing before a television camera, he contemptuously tore up a court injunction against the strike and declared, "The judge can drop dead in his black robes."

Gov. Nelson Rockefeller refused to use the National Guard to back up state law, for fear of fomenting a general strike. After the city succumbed to the union's wage demands, the courts quietly quashed hundreds of suits by persons seeking relief for the damage done them by the union's illegal strike. The New York legislature even retroactively granted the union scot-free relief for violating the law.

In neighboring Connecticut, a management representative last month quipped: "We've got the AFL-CIO in a heck of a state. The Connecticut legislature passed everything the AFL-CIO wanted this year, and the union doesn't know what to shout for next year."

For more insight into how the cards are stacked in the union's favor, take a look at the 22 members of the Connecticut Labor Committee. Two are businessmen, four are lawyers, two are housewives, 10 are union members and four are professional union organizers.

Recently a high ranking official of the New Jersey AFL-CIO sat on the podium of the New Jersey House right next to the Speaker. From there, he passed down notes to the legislators with questions and comments to make regarding legislation of union interest.

When some New Jersey legislators protested, the AFL-CIO official stepped down, took a seat in the front row of legislators and continued passing his notes.

Public becoming alarmed

Politicians have long maintained that once a major walkout has been halted, the public will quickly lose interest in doing anything about the economic and political power of unions.

But there are now indications of a strain on the public's seemingly unlimited tolerance.

"Nearly eight of every 10 Americans feel that this is a time of labor trouble and friction," reports Thomas W. Benham, vice president of Opinion Research Corporation of Princeton, N.J.

"Our survey shows that the public is both aware and concerned about excessive union power, government regulation of unions, fair treatment of labor and management



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under current labor laws and many other labor relations issues.

"We have been studying public opinion trends in the labor field for many years.

"The public has never shown a greater interest and concern across the board for labor matters than it does now."

At a recent labor conference at Wake Forest University's Management Institute, C. Byron Richards, vice president and director of labor relations for Reynolds Metals Co., called for a complete reexamination of all of our labor laws to head off continuing labor crises.

"It's going to take something drastic to get us back on the track," he predicted.

What Congress could do

Congress certainly has no lack of ideas for ways to reform the federal

labor laws. Some suggested changes would:

- Abolish entirely or limit the powers of the NLRB in which political considerations can influence judgments on labor disputes.
- Make a clear statement of the respective rights of employers, employees and unions—rights which no government agency may violate.
- Reaffirm the employer's right to run his own business, without having to consult unions.
- Restore to each employee his right to choose his own bargaining unit.
- Require a secret election before a union can be certified as a bargaining agent.
- Better protect workers against racial discrimination by unions.
- Prohibit the use of union dues for support of political candidates.
- Make it an unfair labor practice

for a union to fine an employee for exceeding union-imposed production quotas, for crossing union picket lines or for filing suits against the union.

- Give added support to employers' right to lock out.
- Protect against government infringements into collective bargaining between private firms and employees.
- Protect against compulsory union membership.
- Withdraw the union privilege of restricting the number of employees entering a trade.
- Reaffirm employers' rights of free speech during union organizing campaigns and during bargaining.
- Restore employers' right to bargain freely with unions by making fair and firm offers.
- Eliminate unions' privilege to pull secondary boycotts against persons

One of President Johnson's one-shot approaches to labor troubles is the mediation-arbitration board for the railroad dispute. Shown at hearings in New York are the board's members (behind table, from left): George Meany, president of the AFL-CIO; Theodore Kheel, a veteran arbitrator; Sen. Wayne Morse (D-Ore.), old friend of unions and the board's chairman; Leverett Saltonstall, former U. S. Senator from Massachusetts, and Fred Kappel, the retired president of the American Telephone and Telegraph Company. Mr. Kappel attacked the board's "solution" as inflationary. Among other things, it gives the six shopcraft unions an 11 per cent wage increase over two years.



PHOTO: MERRILL PRESS

HOW LABOR LAWS COULD BE REFORMED

continued

who are not involved in union disputes.

- Reinstitute employers' right to refuse to rehire persons who have engaged in violence or other coercive conduct during a labor dispute.
- Withdraw union license to strike in jurisdictional disputes between unions.
- Forbid "forum-shopping"—trying to appeal NLRB decisions to a favorite court. Limit appeals to the court having jurisdiction over the actual spot where the alleged unfair labor practice occurred.
- Make it easier to appeal NLRB rulings to courts of law.
- Forbid the NLRB from forcing employers to divulge names, addresses and other private information to labor unions.
- Eliminate NLRB requirements that management must bargain about matters that mainly aid union

leaders and often don't concern the employees at all.

- Allow management the same rights that unions have to seek court injunctions against NLRB rulings on bargaining units.
- Require unions to live up to their contracts when they agree not to strike during the contract period. Allow injunctions against such strikes.

Management groups have been trying to inform the public about labor law reform. The Chamber of Commerce of the United States last month conducted workshops in 12 American cities, outlining labor law reform programs and pointing out the need for Americans to let their Congressmen know about excesses and abuses by unions and government agencies.

As a start management groups are urging support of a bill (S.J. Res.

66) by Sen. Robert P. Griffin (R., Mich.) to set up a bipartisan House-Senate committee to study the problems of industry-wide bargaining, strikes and other labor matters. Unions bitterly oppose the bill and have so far successfully used their Congressional influence to keep it bottled up.

Unions today fear open examination into their stratagems and strengths, a fear evidently shared by many politicians. But increasing concern among a large segment of the American public promises significant changes that could shrink the roots of union power. **END**

REPRINTS of "Roots of Union Power, Part III—How Labor Laws Could Be Reformed" may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

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Business image tops labor, government

BY JEFFREY ST. JOHN

Businessmen should take stock of the trouble the labor movement is having with its younger members. With 25 per cent of U. S. union members under age 30, a serious rank-and-file revolt is brewing over the cost of living and higher taxes; some of the same issues that concern U. S. business.

"Where support appears least strong," noted a recent AFL-CIO poll, "is among younger members, and more and more the trade union movement is becoming a young movement. Though members under 30 were more emphatic in believing their union should take a stand on important issues, they responded generally in lower percentages in supporting their union's positions."

The significance of the serious bind in which organized labor finds itself today with youthful members is twofold. First, it signals a potentially more sympathetic ear from youthful union members toward business problems. Second, while business's problems with young Americans may be different from labor's, the outlook for solving business problems is much brighter. In fact, business today is winning for itself the position enjoyed by labor in the 1930's as a field where youthful idealism could be most useful.

This fact clearly emerges—despite unfounded fears that business is being rejected by large numbers of college students—in our survey for the Research Institute of America. The national sample of young people indicates that given an affirmative and forward-looking communications-education program regarding business principles and ideals, U. S. business can far outstrip other fields, including unions and government, in appealing to young Americans. Significantly, not one student in the survey expressed a desire for a career in labor union work. For that matter, government service ran a poor fourth as a career field. On the other hand, preference for a business career ran a strong first.

Business, in comparison with unions, not only has a greater edge with young Americans, but it could

very well learn from many of the mistakes now being made by union leaders with respect to young people.

"Union leadership," commented one youthful union member, "is only concerned with platitudes, plaques, testimonial dinners, and handshakes. The leadership is made up of old men who don't know when to quit, and try and stamp out disagreement rather than find out what's behind it." This statement was made before 70 "old" union leaders at a recent annual conference of the New York City Central Labor Council. The conference ended in general agreement that unions are having a problem holding the allegiance of the rank-and-file young.

Labor leaders make no effort to recruit on the campus. Those college-educated young people who do go into the movement end up as staff consultants or specialists, advising older leaders on a host of complex issues. With few young people entering the ranks and gaining recognition, they are not elected to leadership posts by the majority of older members.

An exception is 28-year-old Wendell W. Young, president of the 10,000-man Philadelphia Local 1357 of the Retail Clerks International Association. He took over at age 23, cut his own salary, reformed many of Local 1357's outmoded and questionable policies and beefed up the membership with educational programs and hard work. Hoping to hire college students to give them a taste of honest unionism, Mr. Young laments, however, "Students want to get involved in our causes, but labor has made no effort to meet them."

Significantly, the general conclusion at the recent labor conference was that not only is there a generation gap between union leadership and the more youthful rank and file, but youthful union members feel frustrated when they see men and women their own age moving up rapidly into leadership positions in business and government.

If business worries about its image, it is much better and getting brighter in comparison with labor, especially with the long strikes and actions of union leaders who seem to thumb their noses at the public.

The major problem business has concerning young people is not rejection. It is a serious communication and educational problem, as I will illustrate with survey results in next month's column.

Mr. St. John is a journalist, a radio commentator and a consultant to the Research Institute of America on youth attitudes. His column appears regularly in NATION'S BUSINESS.

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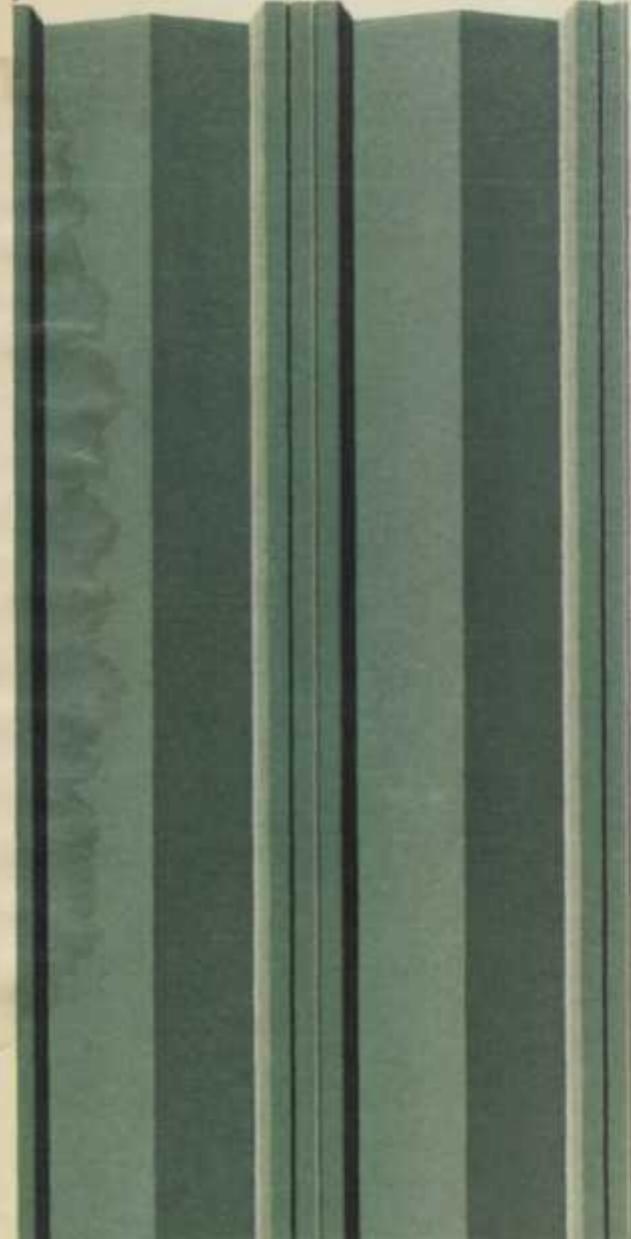
It may not be—\$25 billion is much less than the payroll cost of all federal government employees.

On the other hand, that \$25 billion is much more than is paid by all the corporations to all the millions of shareholders in yearly dividends in this great capitalistic nation of ours.

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